Austria ... Sch 22	Indonesia .. Rp 3100	Portugal .. Esc 100
Bahrain ... Din 0.650	Israel ... NIS 3.50	S. Arabia .. Rls 6.00
Belgium ... BFr 48	Italy ... L 1800	Singapore .. S$ 4.10
Canada ... C$1.00	Japan ... Y600	Spain ... Pta 125
Cyprus ... C£0.75	Jordan ... Fils 500	Sri Lanka .. Rup 30
Denmark .. DKr 8.00	Kuwait ... Fils 500	Sweden ... Skr 8.00
Egypt .... E£2.25	Lebanon . £L 50.00	Switzerland SFr 2.20
Finland .. FmK 7.00	Luxembourg . LFr 48	Taiwan ... NT $65
France .. FFr. 6.50	Malaysia .. Rm 4.25	Thailand ... Bht 50
Germany . DM 2.20	Mexico .. Pes. 300	Tunisia .. Din 0.800
Greece .... Dr 160	Morocco .. Dh 6.00	Turkey .... L 500
Hong Kong . HK$ 12	Netherlands . Fl 3.00	U.A.E. .... Dh 6.50
India .... Rup. 15	Norway .. NKr. 7.00	U.S.A. $1.00

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 30,268 | Thursday June 25 1987 | D 8523 A

Wellcome defends AIDS drug pricing, Page 18

World news

Rome demo against visit by Waldheim

Jews wearing mock Nazi concentration camp uniforms protested in St Peter's Square, Rome, against the planned meeting today between the Pope and Austrian President Kurt Waldheim.

Israel asked the Vatican for an explanation of why the Pope agreed to receive Mr Waldheim and Israel's chief rabbi said a moral stain would be cast on the Roman Catholic Church if the meeting took place. Page 3

Argentine bombings

Bombs shook 15 offices of Argentine President Raul Alfonsin's Radical Party, hours after courts lifted charges against 48 military officers accused of human rights violations under the former military government. Page 4

Hostage freed

Kidnappers freed the son of Lebanon's Defence Minister and efforts continued for the release of his co-hostage, US journalist Charles Glass. Page 5

Hungary shake-up

Hungary was planning a major leadership shake-up, replacing Prime Minister Gyoergy Lazar and President Pal Lasonczi and promoting two candidates to succeed party leader Janos Kadar.

Hijack trial

West Germany decided to put on trial a Lebanese accused of hijacking a US airliner two years ago. It assured President Reagan that Mohammed Hamadei, whose extradition to the US it refused, would also be tried for the murder of a US sailor. Page 3

Sri Lanka arrests

Police arrested about 150 suspected members of an outlawed left-wing group in co-ordinated raids throughout southern Sri Lanka.

Arabs on strike

Israel's 700,000 Arab citizens staged a general strike in protest at what they said was government discrimination in favour of Jews.

Apartheid church

Dissidents in South Africa's Dutch Reformed Church threatened to form a whites-only splinter group because they objected to the church opening its doors to all races.

Kremlin policy

Yegor Ligachev, effective number two to Soviet leader Mikhail Gorbachev, said Moscow's renewal policies were not aimed at imitating Western-style liberalism.

Presidential queue

A last-minute rush of 42 nominations brought the number of would-be candidates for next year's Indian presidential election to 78, but 20 were ruled out as improperly filed.

All-day drinking

The British Government announced plans to introduce all-day drinking in British bars, allowing pubs to open between 11am and 11pm and eliminating a notorious national drought between 3pm and 5.30pm. Page 8

Ugandan trial

A former Ugandan Commerce Minister and eight others went on trial for treason in the Kampala High Court, more than nine months after their arrest.

Airfares hitch

Italy and Greece blocked progress towards an EC agreement on cutting West European airfares and introducing competition among airlines. Page 18

Business summary

Printemps to raise FFr 1bn for acquisitions

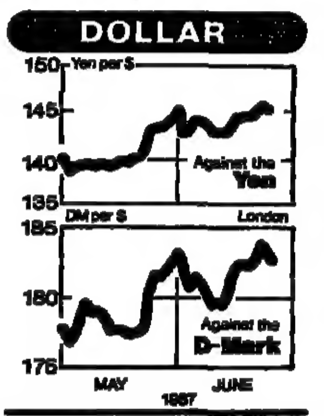
PRINTEMPS, French distribution group, plans to raise FFr 1bn ($163.3m) in new capital to finance its purchases of stakes in other companies in the retailing sector. Page 19

AMOCO CORP, US oil company, is facing mounting pressure to improve its controversial C$5.2bn ($3.9bn) for Dome Petroleum, the debt-laden Canadian energy producer. Page 22

AEG, West German electrical and electronics company owned 56 per cent by Daimler-Benz, booked an 8 per cent rise in sales to DM 4.25bn ($2.3bn) in the first five months of the year.

WALL STREET: The Dow Jones industrial average closed down 11.32 at 2,428.41. Page 42

DOLLAR



DOLLAR fell in London to DM 1.8225 (DM 1.8330); to FFr 6.0825 (FFr 6.1175); to SFr 1.5110 (SFr 1.5180); and to Y145.00 (Y146.00). On Bank of England figures the dollar's exchange rate index fell 0.6 to 102.0. Page 33

STERLING rose in London to $1.6215 ($1.5995); to DM 2.9550 (DM 2.9325); to FFr 9.8625 (FFr 9.7850); to SFr 2.4500 (SFr 2.4275); and to Y235.00 (Y235.50). The pound's exchange rate index rose 0.6 to 72.3. Page 33

GOLD rose on the London bullion market to close at $442.00 ($440.25); it also rose in Zurich to $441.95 ($439.25). Page 32

LONDON: The firmer pound and renewed buying of government bonds led equities to extend their gains. The FT-SE 100 index closed 18.5 higher at 2,284.0 and the FT Ordinary index added 21.8 to 1,773.4. Details, Page 38

TOKYO: Buying of chemical, drug, consumer-demand related issues and oils offset easier high-technology stocks to send the Nikkei average to a record close. The indicator closed 97.94 higher at 24,892.75. Page 42

ADAM OPEL, West German subsidiary of General Motors of the US, is back in profit after three years of heavy losses and expects to earn at least DM 100m ($55m) in 1987. Page 19

BONN Cabinet confirmed the reappointment of Karl Otto Poehl as head of the Bundesbank, which he has led since 1980. Page 2

FRAMATOME, French nuclear power plant manufacturer which is 40 per cent owned by the Compagnie Generale d'Electricite group, expects net earnings to increase to FFr 920m ($150.2m) this year from FFr 777m last year but then to decline to FFr 800m in 1988 and to FFr 580m in 1989. Page 20

JAPAN'S full-fledged credit rating system for corporate bonds and debentures issued by Japanese companies will start from July in a move which follows relaxation of the eligibility requirements for unsecured bonds. Page 23

FRENCH BANKS plan a far-reaching reform of settlement and delivery procedures in the Paris bond and share markets. Page 23

ATOCHEM, chemical subsidiary of France's Elf-Aquitaine oil group, reported a sharp rise in consolidated net earnings to FFr 166m ($27m) last year from FFr 40m the previous year. Page 20

South Korean peace hopes dashed as talks fail

BY MAGGIE FORD IN SEOUL

HOPES of a political breakthrough to end the widespread anti-government demonstrations in South Korea were dashed yesterday when Mr Kim Young Sam, the opposition leader, described his unprecedented meeting with President Chun Doo Hwan as a failure.

The President's suggestion of a return to talks on revising the constitution in the National Assembly was unsatisfactory, he said. A "people's march" for democracy called on Friday in the centre of Seoul would go ahead.

The Government waited until midnight to lift the house arrest of Mr Kim Dae Jung, joint leader of the opposition Reunification Democratic Party, a precondition for the meeting.

Although he will now be able to hold meetings and receive visitors, Mr Kim is still banned from politics under the terms of a sedition conviction imposed on him early in the Chun regime. The RDP had demanded that the Government restore Mr Kim's civil rights.

Mr Kim Young Sam visited his colleague's house for talks in the morning before his meeting with the President, and Dr Gaston Sigur, US Under-Secretary of State for East Asian Affairs, was allowed past police lines in the afternoon.

Mr Edward Derwinski, the US Under-Secretary of State for Security Assistance, said at a news conference that he believed the South Korean military had no plans to intervene or to impose martial law.

No details emerged of a meeting yesterday between Mr Lee Ki Baek, the Defence Minister, and top army commanders.

The three hours of talks between the President and Mr Kim had raised South Koreans' hopes that their wishes for democratic change would be fulfilled. But initial reactions suggested that the President's offer meant only a return to the manipulative politics of the past year.

Mr Kim said that only a referendum on the type of democratic government to be introduced was acceptable. The opposition wants a direct presidential system, while the ruling Democratic Justice Party has argued in favour of a cabinet system.

The ruling party, led by Mr Roh Tae Woo, has attempted to persuade the President to meet a number of the opposition's demands.

DJP members, who were called to a weekend meeting to discuss the suggestions to be put to the President, were amazed when they were asked to formulate proposals in groups and work out a joint policy. One member commented that never before had party members been asked to contribute to democratic debate over issues.

The President's failure to respond to the people's demand for a sincere commitment to change is likely to anger and depress South Koreans. Unless there is some further movement in the next few days, Friday's demonstration will probably lead to renewed scenes of public anger.


Kim Dae Jung

Soviet Union plans mass release of political dissidents

BY PATRICK COCKBURN IN MOSCOW

THE SOVIET UNION is to speed up the release of political and religious dissidents under an amnesty to mark the 70th anniversary of the Bolshevik Revolution.

Mr Gennady Gerasimov, the Soviet Foreign Ministry spokesman, said yesterday that people imprisoned under the statutes of the criminal code which have normally been used against dissidents would be released or have their sentences cut.

"The amnesty is the biggest in 30 years," according to Dr Roy Medvedev, the dissident historian. "It will allow all remaining political prisoners to be released."

He said he was certain that all those sentenced for holding dissident political or religious views would be released over the next six months, the length of time for the amnesty to take effect.

Mr Gerasimov was more circumspect about the impact of the amnesty. On Tuesday he said he believed that prisoners held under stautes 70 and 190 – those most commonly used against dissidents – would not be included under its terms and only those detained for trivial offences would benefit.

Yesterday morning, however, Mr Gerasimov said that people held under statute 70 would have their sentences cut and the remainder would be liable for release provided they fulfilled conditions laid down in the amnesty.


Mikhail Gorbachev

It is unclear how many dissidents are imprisoned in the Soviet Union but diplomats believe there are about 500 in camps or jail for political offences and a somewhat larger number for religious offences.

Under the long and complex amnesty decree of the Presidium of the Supreme Soviet, the Soviet Parliament, people serving sentences of up to three years are, with exceptions, to be released. Those who have already served one-third of their sentences will, in most cases, have their term of imprisonment cut by half.

The better-known dissidents serving terms in prison or exile such as Dr Andrei Sakharov, the dissident physicist, Mr Anatoly Shcharansky and Mr Yuri Orlov have all been released since Mr Mikhail Gorbachev came to power in 1985, but Dr Sakharov said recently that releases had slowed up.

Many of those likely to be freed under the new amnesty are members of small religious sects such as the Hare Krishna group sentenced for religious proselytising.

Confusion over the amnesty, in contrast to the publicity given by the Soviet Union to the release of about 140 prisoners earlier this year, may be because the previous releases led to an increase in agitation by prisoners' families and supporters demanding their immediate freedom.

Dr Medvedev said this month's amnesty was "the first amnesty in 50 years to include political prisoners." He said the biggest amnesty of all was in 1945 to celebrate victory over Germany but political prisoners were specifically excluded.

He expected the released prisoners to include Mr Leonid Borodin and Mr Felix Svetov, both writers sentenced for expressing anti-Soviet views. He said articles that had previously led to prosecutions were now openly printed in the Soviet Union.

Delors calls for firm guidelines on EC finance

BY QUENTIN PEEL IN BRUSSELS

MR JACQUES DELORS, President of the European Commission, yesterday called on European Community heads of state and government to set clear guidelines for future financing and agricultural reforms at next week's summit, to avoid an imminent political crisis.

He expressed the hope, however, that even if the "political engine" of the Community grinds to a halt over the budget crisis, the momentum of achieving a barrier-free Common Market by 1992 will still remain.

Mr Delors made it clear that he feels the Community can only solve its immediate problems – the failure to agree on farm prices for the current year, and a yawning budget deficit of between Ecu 5bn and Ecu 6bn (£3.5bn to £4.2bn) – if the EC leaders agree on the outlines of a long-term budget solution.

That would include a commitment to farm policies much more closely linked to market prices – i.e. price cuts – and to an enforceable system of expenditure control, as well as structural policies boosted to benefit the poorest regions of the EC.

There is a growing concensus in Brussels that the summit must steer clear of discussing the detailed problems of the budget and farm policy, although Mr Delors is still seeking guidance on the fiercely disputed subjects of an oils and fats tax for agriculture, and reform of the complex agri-monetary system linking farm prices to the D-Mark.

He is flying to Paris today to see President François Mitterrand and to Bonn on Friday to see Chancellor Helmut Kohl in an effort to persuade those key leaders to settle their differences.

West Germany is currently seen in Brussels as by far the most difficult government in the crisis, because on the one hand it refuses to pay up more money to the budget but at the same time refuses to countenance the sort of farm price cuts necessary to restrain the cost of the agriculture policy.

Mr Delors is apparently not intending to meet British Prime Minister Margaret Thatcher in London – their relations have been fairly cool in recent months – in spite of her very tough attitude to any increase in funds for the Community.

However, the British position is regarded as more coherent than the German, because Mrs Thatcher insists that agricultural reform is an essential precondition for additional financing of alternative policies.

The summit problem will be in setting clear enough guidelines to help resolve the financial crisis in the long term. Mr Kohl will certainly resist any reference to the inevitability of farm price cuts. Northern member states, including Britain and West Germany, will also resist any attempt by the South to commit them to a doubling in regional and social spending, as proposed by the Commission.

For her part, Mrs Thatcher will insist on a clear conditionality for any increase in funding, tying it to farm reform and budget discipline in a way which others may find too restrictive.

Tin Council members cleared of liability for debts

By Raymond Hughes in London

CREDITORS of the insolvent International Tin Council have suffered a third setback at the hands of the High Court in London.

Mr Justice Staughton ruled yesterday that the ITC's members – the UK Government, 22 other states and the European Community – were not liable for its debts, which run into hundreds of millions of pounds.

The ITC was a separate legal entity and, when it contracted to buy or sell tin, it had done so on its own behalf and not as agent for its members, he said.

In two earlier cases Mr Justice Millett decided that the English courts could not wind up the ITC or appoint a receiver of it.

All three rulings are likely to be appealed.

The creditors will derive some comfort from Mr Justice Staughton's endorsement of Mr Justice Millett's view that arrangements should be made by diplomatic means to meet the ITC's debts.

Yesterday's ruling was made on an application by the members to strike out an action in which J.H.Rayner (Mincing Lane), a London Metal Exchange trader and £16m creditor of the ITC, seeks to make them liable for the debt.

Although Mr Justice Staughton ruled in the members' favour on all the issues before him, that is not the end of the action. There remains a new claim, added by Rayner in April, that the members breached their duty to ensure that the ITC's business was not conducted to the prejudice of creditors.

Last month the Appeal Court ruled that that claim could not be argued on the striking out application.

Mr Justice Staughton said that Rayner's original claim disclosed no cause of action against the states and the EC. But for the late amendment the UK would be entitled to a striking-out order, the EC to an order setting aside the claim against it, and the foreign member states to an order that they had sovereign immunity from Rayner's action.

The judgment affects actions in which other ITC creditors – brokers and banks – are suing the member states, as legal issues common to all the actions were deployed before, and rejected by, Mr Justice Staughton. The other creditors have, however, other separate arguments to be dealt with

All the ITC's creditors will applaud a sentiment expressed by Mr Justice Staughton at the end of his two-hour judgment, given in open court following a 10-day private hearing last month.

Saudis to sweep Gulf for mines if they threaten Kuwaiti ports

BY TONY WALKER IN KUWAIT

SAUDI ARABIA has agreed to sweep waters off Kuwait for mines if it is established that they threaten navigation in the main deep water channel leading to Kuwaiti oil ports, according to US officials.

US experts have begun working with Kuwait's navy in an effort to detect mines at the entrance to the Al Ahmadi channel 30 nautical miles offshore.

In the northern Gulf yesterday, a Turkish bulk carrier, the 30,634-tonne Hira 111 was hit and set ablaze by an Iraqi missile. Seven crewmen were injured.

The Turkish ship was 60 miles south of Iran's Kharg Island oil terminal in an area where Iraq has carried out repeated attacks.

This is the second Iraqi missile strike in the vicinity of Kharg Island since the weekend and signals a resumption of such attacks after a break of about one month.

At the same time, there were reports from Washington yesterday that the US is proposing to despatch the battleship USS Missouri to the Gulf region to menace Iranian shore positions. The Missouri is armed with advanced missiles and 16-inch guns with a range of 37 km.

Kuwait has appealed to both the US and Saudi Arabia for assistance after several ships encountered mines off its own coast.

Officials here are hinting at possible sabotage by Iran in yesterday's attack on the Turkish carrier, but they have stopped short of an outright accusation that the Tehran regime is engaged in an attempt to blockade Kuwaiti ports.

The Liberian-registered 273,408-tonne Stena explorer became, last Friday, the fourth ship to have struck a mine in the Al Ahmadi channel since May 16 when the Soviet tanker, Marshal Chuikov, was damaged.

Saudi Arabia has agreed to provide a helicopter-drawn "sled," which, when dragged through the water, detonates mines floating just below the surface or those lying on the sea bed.

A similar device was used by the US navy in its minesweeping operations in the Red Sea in 1984 when an unidentified country or organisation mined the approaches to the Suez Canal.

The US is beefing up its naval presence in the Gulf, currently standing at one cruiser, two frigates and two destroyers plus a command ship, the USS La Salle.

There have also been reports of three additional warships passing through the Suez Canal on their way to the Gulf. They are the guided missile destroyer, USS Kidd and the frigates USS Klakring and USS Flatley.

If the USS Missouri was stationed in the Gulf of Oman, just outside the Strait of Hormuz, it would be within range of Iran's main port of Bandar Abbas.

Iran has begun deploying Chinese-supplied Silkworm missiles around Bandar Abbas.

The US has warned Iran against installing the shore-to-ship missiles, saying they posed a direct threat to shipping in the Strait of Hormuz, through which passes 20 per cent of the West's oil.

Earlier this year, Kuwait requested superpower protection for its tanker fleet in the Gulf. The Soviets responded quickly to the request, leasing three tankers.

Washington proposed a complicated procedure to satisfy US law under which Kuwaiti tankers would fly the American flag, entitling them to US naval protection.

This process is now underway, but Congress is voicing serious reservations about the US extending its policing role in the volatile Gulf region.

US officials here say they expect that by the middle of July, about 11 Kuwaiti tankers will be operating in the Gulf under US naval protection.

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VILLAGE THAT WAITS FOR THE LOCAL BOY'S VISIT

East German leader Erich Honecker: hoping to take a long-promised trip to West Germany, Page 18

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EC to exempt franchising from competition rules

BY WILLIAM DAWKINS IN BRUSSELS

FRANCHISING, the fast growing marketing form which accounts for 10 per cent of EC retail sales, was yesterday given exemption from Community competition restrictions.

The decision, by the European Commission, comes nearly a month after a similar move to give technical know-how licensing agreements protection from competition rules. It removes a potential legal threat to the Community's 85,000 franchised outlets.

First developed in the US, franchising took off in Europe during the 1970s and now embraces more than 1,500 franchise networks, representing combined annual sales of Ecu 33bn (£23.3bn), mainly in food, clothing, car rentals and hotels.

Yesterday's move means franchise agreements cannot—with some key exceptions — be challenged under EC regulations outlawing market sharing and price fixing. Commission competition authorities have made a special case for franchising on the grounds that it provides an employment-creating boost for small businesses and helps to "establish uniform distribution . . . without the need for major investments."

The EC's attitude to franchising was unclear until a landmark judgment by the European Court of Justice last year that a franchising agreement between Pronuptia de Paris, a French based retailer of wedding dresses, and one of its West German based franchisees was governed by competition rules. The franchisee was being sued for an outstanding debt and argued that the contract was invalid

Since then, the Commission has given Pronuptia and another franchisor, Yves Rocher, special individual clearance from competition restrictions. The block exemption, which takes the form of a draft regulation and so will not have to go through the lengthy process of getting member states' approval, covers distribution and service franchises only.

It gives legal backing to agreements limiting franchisees to physical territories and obliging them not to resell products to retailers outside the franchise network. Contracts forbidding franchisees from selling competing products would also be allowed.

Patrick Cockburn on expectations of argument at today's Central Committee meeting

Gorbachev's economic aims under scrutiny

SOVIET COMMUNIST party regional leaders are likely to give Mr Mikhail Gorbachev strong backing for his plans to decentralise administration of the economy at the meeting of the central committee today, according to Dr Roy Medvedev, the Soviet historian.

The two day meeting of the 307-member central committee, to which all top Soviet officials belong, is considered crucial for the reform of the Soviet economy. It will consider a draft law aimed at increasing the financial independence of state enterprises and also proposals to reduce the power of central economic bodies and the ministries.

Dr Medvedev, for many years a leading oponent of Mr Leonid Brezhnev's government, said that since Mr Gorbachev took power in 1985 political change had outpaced economic reform. "Renewal of the economy has not gone beyond the stage of experiment," he said. "Today, the economy is not working any better than it was three or four years ago."

Political and cultural change in the Soviet Union had, on the other hand, moved much faster than he had expected.

The outcome of this week's central committee meeting is much less predictable than in the past, Dr Medvedev said. When Mr Brezhnev was leader from 1964 to 1982, he said, the leader's own speech was largely written by the senior party bureaucracy in Moscow who also vetted speeches by all central committee members before they were delivered.

In contrast, speeches and resolutions at today's meeting will not have been prescripted by the central party bureaucracy, although the main themes of Mr Gorbachev's speech will have been explained to the politburo, Dr Medvedev said that, as a result, there will be much more discussion and argument.

Many regional party first secretaries, who make up about a quarter of the membership of the central committee, had expressed reservations during the last central committee in January about glasnost, as the greater freedom expression under Mr Gorbachev is known. But, said Dr Medvedev, the provincial party chiefs, who play a key role in running the country, had a much greater interest in reducing the domination of the economy by central organs such as Gosplan and Gossnab, which together control the Soviet supply system.

This would "strengthen their position. In the past they were not masters of their own district."

Dr Medvedev said he would not try to predict changes within the politburo, but Mr Geidar Aliyev, the third-ranking member and an opponent of Mr Gorbachev, was known to be seriously ill and might retire.

Western diplomats have generally agreed with Dr Medvedev's analysis of the significance of today's meeting. They say that economic reforms introduced over the past two years have been incoherent and consequently ineffective. Mr Gorbachev is now creating an overall strategy to transform the management of the economy by 1991.

Reegional leaders like the look of the Mr Gorbachev's easing of central controls

They say that this three-year time frame is realistic, noting that economic reform in Hungary, the most far reaching and successful in a Socialist country, was drafted in 1965 and fully applied only in 1968.

At the core of the reforms is the plan to reduce the allocation of resources from above and, instead, to allow enterprises to negotiate contracts at prices reflecting supply and demand. Diplomats say that over the next three years they expect the shift from plan to market to have an impact first on agriculture and services and only subsequently on heavy industry.

Speaking of the central economic organs, Dr Medvedev said that 10 or 12 new measures were being discussed to reduce their authority, although these were likely to be introduced after this week's meeting. Plans include measures to cut the staff and number of departments at Gosplan by half, and to reduce the number of ministries and limit their functions.

A strong complaint made by enterprises which have, in theory, been made self-financing is that they are still dependent on higher authority for crucial inputs and they are judged by the quantity of goods they produce rather than their earnings or profits.

Poehl wins second term at Bundesbank

By Andrew Fisher in Frankfurt

MR KARL OTTO POEHL, the former economic journalist and Finance Ministry official who has headed the Bundesbank since 1980, was yesterday confirmed by the Bonn cabinet for a second term.

The 57-year-old Mr Poehl, a keen golf player and skier who now has more practical experience in world monetary affairs than most top central bankers, is thus set to become the longest-serving Bundesbank president, with a total of 16 years.

Since the reappointment was expected, despite reports of earlier dithering within Chancellor Helmut Kohl's centre-right coalition — Mr Poehl is a lukewarm member of the opposition Social Democrats (SPD)—it created no real excitement on currency markets.

Instead, it underlined the close accord between Mr Poehl and Mr Gerhard Stoltenberg, the stability-conscious Finance Minister. Both have stressed, especially before the recent Venice summit, that they see little scope for further fiscal or monetary stimulus to liven up the sluggish West German economy. With Mr Alan Greenspan soon to take over as head of the US Federal Reserve Board, Mr Poehl's further period of office was generally seen as providing a welcome element of stability on the central banking scene.

"It's a good thing, from the world financial point of view, that we've got continuity in Germany to balance the changeover in the US," said Mr Giles Keating, a senior economist with Credit Suisse First Boston in London.

In trying to balance conflicting pressures from anti-inflationary feeling at home—inflation is dormant in West Germany but fears of its reawakening remain—and calls abroad to help stimulate growth, Mr Poehl has displayed an unusual (in central banking terms) mixture of pragmatism and public relations awareness.

But West Germany has remained under pressure to do more. Thus, said Mr Robert Reid, senior European economist at UK stockbrokers Phillips and Drew, "it seems appropriate, if Germany is to avoid becoming too much the international whipping boy, that there is someone heading the Bundesbank who is pragmatic, knows the ropes, and knows who to pick up the phone to talk to."

As Mr Poehl has himself pointed out, however, the Bundesbank is a big organisation, with a 17-person policy-deciding council. So getting decisions through is not always easy, and he has not always prevailed over the more conservative members of the council.

Flanking Mr Poehl at the Bundesbank is Mr Helmut Schlesinger 62, the deputy president. He was confirmed in office for five more years until he reaches the mandatory retirement age.

Mr Poehl, avuncular and occassionally wise-cracking, has been with the Bundesbank for 10 years. His deputy has totted up a total of 35, including five with the Bank Deutscher Laender, forerunner of the Bundesbank, which was founded in 1957.

E. German company links agreed

By Leslie Colitt in Berlin

The Prime Ministers of the Soviet Union and East Germany have agreed on "practical steps" to establish direct links between companies in the two countries.

The talks earlier this week in Moscow between Mr Nikolai Ryshkov and Mr Willi Stoph, who headed large economic delegations, were hailed yesterday by the East German newspaper Neues Deutschland as a further intensification of economic cooperation.

Comecon specialists at the German Institute for Economic Research (DIW) in West Berlin said, however, that Moscow and East Berlin still disagreed about the value of direct ties. They are strongly favoured by Mr Mikhail Gorbachev, who aims to reform Comecon by curtailing bureaucracy.

Mr Heinrich Machowski, a DIW researcher, said East Germany and several other East European countries opposed the Soviet plan to replace state agreements with direct company links. East Germany is said to fear that if direct ties and other Comecon reform proposals fail, it will be hurt the most.

East German and Soviet factories producing sewing machines recently agreed—with government blessings—to jointly develop a microelectronic machine of the highest "international standard." In the early 1970s, though, a similar joint project to develop a programmable washing machine turned into a loss making venture for both sides.

Greek venture capital move

By Andriana Ierodiaconou in Athens

THE GREEK Government is to allow institutions specialising in the provision of venture capital to be set up, in a bid to promote high technology and innovative industrial investment.

Under a bill submitted to Parliament this week, the proposed venture capital institutions are to be subject to a Dr 500m (£2.26) minimum capital requirement. They will qualify for a range of government incentives, including a state subsidy equivalent to 30 per cent of any overall venture capital investment

The authorities are anxious to promote the modernisation of Greece's manufacturing industry.

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Hamadei to go on trial in West Germany

BY DAVID MARSH

THE BONN Government yesterday decided to put on trial in West Germany a suspected Lebanese terrorist accused of hijacking a US airliner two years ago.

But, in a move which raises the prospect of a further prolonged battle of nerves with kidnappers holding two West German businessmen in Beirut, the Government coupled the step with a strong statement ruling out any question of submitting to "blackmail" from terrorists.

The formal announcement follows months of delicate negotiations between West Germany and the US over whether Mr Mohammed Ali Hamadei, a Lebanese arrested in Franfurt in January, would be extradited to the US.

In deciding to try Mr Hamadei in the Federal Republic on charges of murder and air piracy, as well as unlawfully carrying explosives, Bonn has tried to find a middle course between avoiding strains with Washington and safeguarding the lives of the two West German hostages in Lebanon.

The two businessmen, Mr Rudolf Cordes from Hoechst, and Mr Alfred Schmidt from Siemens, were seized in the Lebanese capital in the week following the arrest of Mr Hamadei at Frankfurt airport. Their kidnappers, believed to be backed by pro-Iranian fundamentalists, have since said they want to bargain the lives of the two prisoners against the release of Mr Hamadei.

Mr Wolfgang Schaeuble, Chancellery Minister in the Bonn Government who has been playing a leading role in negotiations over the affair, yesterday defended the move to hold the trial in West Germany.

He said "strong proof" existed of Mr Hamadei's involvement in the hi-jacking of a TWA aircraft in June 1985 in which a US navy diver was killed. He scotched any question that Mr Hamadei could be given a pardon after a court hearing in order to secure the freedom of the hostages.

President Ronald Reagan has already declared this satisfaction that a trial will take place in the Federal Republic, in spite of earlier strong pressure from the US justice authorities for Mr Hamadei's extradition and considerable opposition to the West German move from Congress.

Chirac cautious on joint force

By Paul Betts in Paris

MR JACQUES CHIRAC, the French neo-Gaullist Prime Minister, has reacted cautiously to West German Chancellor Helmut Kohl's idea of creating a joint Franco-German military brigade. But in his first public reaction to the West German proposals, Mr Chirac emphasised the importance of reinforcing relations between the two countries.

The French Prime Minister said everything that strengthens Franco-German relations goes in the right direction for the future of Europe. Mr Chirac also said that Europe had to reinforce its defence and the coherence of its defence policies.

The latest West German proposals have provoked widespread interest in French political circles and the press. A public opinion poll published yesterday showed that 60 per cent of the French were favourable to the creation of a Franco-German brigade.

Mr Willy Brandt, the former West German Chancellor, also described Mr Kohl's proposals yesterday as an "interesting and symbolic idea." But he added after a private lunch with President Francois Mitterrand in Paris yesterday that it was necessary to go much further and that the proposal would not be sufficient to resolve the problems of European security. Mr Brandt said the problem remained "how to put in place a real European pillar of Western defence."

President Mitterrand has also given his cautious approval to the latest West German defence proposal. But he ruled out any possibility of France rejoining the integrated military structure of Nato.

Although Mr Kohl's idea has received generally cautious assent in France, Mr Michel Debre, the former Gaullist prime minister, stands out for his opposition. He attacked Mr Kohl's proposals earlier this week accusing the West German Chancellor of "treating serious subjects with a lack of gravity which pains and outrages me.

Rome protests planned for Waldheim visit

BY JOHN WYLES IN ROME

THE SUNLIT tranquility of St Peter's Square is likely to be shattered today by protest demonstrations against the controversial official visit to the Vatican by Dr Kurt Waldheim, the Austrian President.

Pope John Paul II's decision to receive Dr Waldheim despite the allegations linking him with Nazi atrocities has proved to be the most unpopular diplomatic initiative taken by the Vatican for many years.

The fierce criticisms being fired at the Vatican from Israel and Jewish communities in Europe and the US will be symbolised by protests outside St Peter's by a variety of groups including Italian and American Jews and activists from "New Austria" which opposes Dr Waldheim's presidency. In a foretaste, the New York Rabbi, Avi Weiss, appeared on the steps of the Basilica yesterday afternoon with two companions, all dressed in concentration camp uniform.

Both Dr Waldheim and the Vatican are attempting to calm the storm. In an interview with the Italian weekly magazine Epoca published yesterday, the President said it was normal for the head of state of a Catholic country to visit the Pope. "It is a question between us and them," he said.

The Vatican newspaper, L'Osservatore Romano, meanwhile, has published on its front page today a long article stressing that Pope John Paul II has repeatedly expressed the Catholic Church's "profound solidarity" with the Jewish experience of the holocaust. This is the second time in less than a week in which the Vatican has sought to repudiate suggestions that receiving Dr Waldheim implies any tolerance of Nazi atrocities—an attitude widely attributed to the Holy See during the Second World War.

Dr Waldheim will spend only two hours at the Vatican this morning, including about 30 minutes alone with the Pope. A notable absentee from the subsequent diplomatic reception will be Mr Frank Shakespeare, the US ambasador to the Vatican, following Washington's decision in April to place Dr Waldheim on a "watch list" denying him entry to the US. Britain will be represented by its charge d'affaires.

Threat to Haughey evaporates

By Hugh Carnegy in Dublin

THE PROSPECT of a snap general election in Ireland disappeared yesterday when Fine Gael, the main opposition party, backed down from a threat to vote against the minority Fianna Fail government in a key parliamentary division.

Parliament is due to rise for the summer recess tomorrow leaving Mr Charles Haughey, the Prime Minister, three clear months to pursue his central policy of tackling the problems posed by the big national debt through a programme of public spending cuts and pay restraint.

It was proposals to cut sharply into health service spending which briefly united the opposition parties against the Government, in office only three months, and raised the prospect of a fatal defeat last night.

In the end, Mr Haughey banked on the threat of an early election which no party relished—especially Fine Gael—to break the opposition's ranks, and it worked.

Mr Alan Dukes, leader of Fine Gael, approached Mr Haughey about a compromise and won the minor concession that an independent committee would look into the way the health cuts were being implemented. Its report will be debated by Parliament when it resumes.

Fine Gael, which all along had not objected to the extent of the cuts, only about the way they were being implemented, then decided to abstain in last night's vote.

The episode was embarrassing for Mr Dukes who will be seen to have mishandled his first major confrontation with Mr Haughey since he took over the Fine Gael leadership from Dr Garret FitzGerald in March.

Italian hopes fade for inflation below 4%

BY JOHN WYLES

ITALIAN INFLATION seems to have stuck firmly on an annual rate of 4.2 per cent denting the Government's hopes of bringing it below the 4 per cent mark this year. According to the monthly survey of price rises in five large cities carried out by Istat, the national statistical agency, the average increase in May over the previous month was 0.4 per cent, implying an annual rate of 4.2 per cent.

Price rises have been lodged at this level since February and the figures suggest that the benefits of the fall in oil prices and of the dollar have now been exhausted. Most independent forecasts point to an average year on year inflation rate for Italy in 1987 of around 4.5-4.7 per cent, markedly above the 3.5 per cent predicted for Organisation for Economic Co-operation and Development countries as a whole.

The trend is worrying exporters who are complaining about declining competitiveness overseas and corresponding losses of market shares. These are only being partially offset by booming domestic demand which the OECD reckons will grow by 4.7 per cent thi. year—one of the highest growth rates in the Western world. This is already showing up in rising imports which look likely to carry the trade balance into the re[illegible] year after a surplus of L2,700bn (£1.27m) in 1986.

Swedish ruling party to push for tax reform

BY SARA WEBB IN STOCKHOLM

SWEDEN'S ruling Social Democratic Party said yesterday that it would push for lower tax rates and for a fairer, less complicated tax system in the debate on tax reform.

The question of tax reform is likely to play an important role in next year's general election and already an all-party commission has been set up to examine possible changes in the tax system which could be introduced in the 1990s.

Sweden has one of the heaviest tax burdens in the Western world which is necessary to finance its welfare system – a situation which Mr Kjell-Olof Feldt, the Finance Minister, says only encourages tax evasion.

Mr Feldt said that he was in favour of lowering the tax rates and marginal tax, and of limiting the existing tax deductions, particularly on loans, which generally mean that it is cheaper for individuals to finance the purchase of capital goods through credit rather than through their own savings.

Mr Feldt said that it was important to encourage household savings in future.

His proposals are due to be discussed at the Social Democratic Party's congress this autumn

Norway police seize company documents

POLICE said yesterday they had seized documents from the Norwegian state arms firm Kongsberg Vapenfabrik (KV), which is at the centre of a row with the US over sensitive computer exports to Soviet Union, Reuter reports from Oslo.

Indications that the sales may have been going on longer than originally thought could embarrass Norwegian Defence Minister Johan Joergen Holst, who is in Washington attempting to sooth US anger over the computer sales to Leningrad shipyards in 1982 and 1983.

Mr Tore Johnsen, the investigating police chief, said: "We seized a number of documents, some relating to exports from the early 1970s."

Last week, justice officials said they had started a new probe into KV exports to the Soviets and that the firm could have made more deals similar to the 1982 and 1983 sales which violated Western export restrictions.

The KV computers were used with milling machines from Japan's Toshiba Machine Corporation to make virtually silent submarine propellers.

Norwegian Prime Minister Mrs Gro Harlem Brundtland wrote to President Reagan last week, apologising for her country's laxness and pledging tough action.

Belgium pushes for UK backing on research

BY WILLIAM DAWKINS IN BRUSSELS

BELGIUM will today make a final attempt to win British agreement to an Ecu 6.48bn (£4.5bn) joint EC research scheme.

Mr Guy Verhofstadt, the Belgian Budget Minister, will this morning fly to London to meet Mr Kenneth Clarke, the Trade and Industry Minister responsible for EC research. Belgian officials said Mr Verhofstadt will try to prepare the terrain for an accord on the five-year research programme.

He is aiming to work out a deal with Britain — the only member-state to be blocking the project — in time for next week's summit of EC leaders, which will be chaired by Belgium, the current President of the Council of Ministers.

It is understood that EC research is not on the agenda of today's meeting of the UK Cabinet, but that the Ministers involved are likely to have informal discussions on whether or not to continue their veto.

Britain has held up the project on the grounds that much of it is poorly directed and wasteful. The UK could accept a smaller Ecu 4.2bn programme, a figure which Mr Verhofstadt has argued would mean a decline in real terms from the current four-year research programme's Ecu 3.5bn budget.

France prepares for fires

BY A SPECIAL CORRESPONDENT

THE SOUTH of France is employing high technology this summer in a bid to prevent a repetition of last year's devastating forest fires, which were among the worst on record.

The new computer installed at the fire fighters base in Nice enables firemen to calculate the severity of an outbreak, how it might spread and what precautions need to be taken.

Fighting fires scientifically remains an untested art, but by applying certain factors, such as nature of terrain, degree of ground humidity, wind speed and direction, plus what fire fighting tools are at hand and difficulties of access, the controller should be able to calculate in advance the amount of land which could burn and act accordingly.

Video cameras are also being deployed this year for the first time in the constant battle that faces the Riviera whenever summer and the Mistral winds arrive.

A "flying eye" plane will transmit video pictures back to base, giving instant status reports and pinpointing localised flashpoints.

Until now, fire chiefs have been "blind" and have had to rely entirely on radio messages that were often confusing or contradictory.

Helicopter water bombers will provide another innovation this year. A squadron of 13 Aerospatiale Squirrels and Pumas, specially equipped with bombing tanks will be pressed into action across the Midi and into Corsica.

Each is capable of 25 flights an hour with a pay load of 20,000 metres.

The water-choppers will augment a fleet of 27 fixed wing aircraft chiefly Canadairs normally used for the job but found to be inadequate last year.

Lawyer advised Reagan not to notify Congress

BY LIONEL BARBER IN WASHINGTON

THE CIA's former top lawyer told the *Iran/Contra* hearings yesterday that he recommended President Reagan not to notify Congress of covert *arms* sales to Iran because of the potential threat to US hostages in Lebanon.

Mr Stanley Sporkin — now a federal judge in Washington — also said he gave "stiff legal advice" that President Reagan's approval was needed in late 1985 to provide legitimacy for actions which the CIA had taken to ship arms to Iran.

Judge Sporkin set out the background to the secret sale of US arms to Iran, beginning with two anti-tank missiles shipped from Israeli weapons stocks.

He said when he found out that Israel, at the request of the Reagan Administration, had made two arms *shipments* to Iran, he intervened vigorously. He said the only rationale for the arms shipments was to win the release of the hostages.

Since the Iran-Contra scandal broke, President Reagan has refused to concede that he viewed the US arms sales to Iran as barter for American hostages. Judge Sporkin testified that he objected when Lt Col Oliver North, the White House aide at the centre of the affair, made no mention of the role of the hostages in a memo on the arms sales.

The House-Senate select committee yesterday attempted to break the impasse over how to secure testimony from Col North, whose lawyer has set stiff conditions on the marine colonel's private and public appearance.

Senator William Cohen, a senior Republican member of the joint panel, said he wanted a favourable response quickly, or Congress would move to cite Col North for contempt of Congress. Mr Arthur Liman, chief senate counsel, said he expected to hear shortly from Col North's lawyer, Mr Brendan Sullivan.

An outline agreement between the committee's leaders and Mr Sullivan provides that *Col North's questioning* in private will be restricted and that he would appear before *his former chief*, Rear Admiral John Poindexter, President Reagan's one-time national security adviser. Critics argue that the joint panel is "*pussyfooting*" with Col North just to get his testimony.

On Tuesday the committee heard that Col North sought to cover up the fact that a former CIA intelligence officer installed a $14,000 electronic security system for his house using money from a Swiss bank account which handles the Iran arms sales.

Garcia chooses Premier

BY BARBARA DURR IN LIMA

THE NEW Cabinet of Peruvian President Alan Garcia is to be headed by Mr Luis Negreiros Criado, the leader of the House of Deputies, and the secretary general of the ruling APRA (American Popular Revolutionary Alliance). Mr Negereiros will also be minister of the presidency, according to *reports* from the presidential palace.

The minister of the economy will be Mr *Gustavo Saberbein*, who until now has been vice-minister of the same portfolio. President Garcia has also apparently chosen Mr Javier Tantalean as the new chief of the central bank.

The appointment of Mr Saberbein and Mr Tantalean, who as head ofthe planning institute has said that the fiscal deficit does not matter and that there should be more liquidity, promised to reaffirm Peru's heterodox economic programme. Mr Negreiros and Mr Saberbein take the *premiership and* economy posts held by Mr Luis Alva Castro who resigned on *Monday*.

President Garcia, who has been on a two day visit to the *interior city of Cuzco*, has not yet made the formal announcement of his new cabinet.

In an unexpected announcement, General Jorge Flores Torres, the current minister of the army, has been named as the first chief of the new Defence Ministry.

Democrats prepare final budget resolution

By Stewart Fleming in Washington

DEMOCRATS ON Capitol Hill were preparing yesterday to complete work on the 1988 budget resolution amid continuing uncertainty about whether Washington will be *able to* achieve any meaningful reductions in the 1988 budget deficit.

On *Tuesday the House* of Representatives voted 215 to 201 to approve the budget resolution, a vote which underscored the intensely partisan character which this year's budget deliberations have taken on

Only three Republicans voted for the budget in the House and 34 Democrats broke ranks to join the bulk of the Republican Party in opposing it.

In the Senate a similarly partisan debate was expected to get underway yesterday.

The focus of the Republican assault has been the $19bn of tax increases which have been drafted into the budget resolution by the Democrats. The resolution calls for some $37bn of deficit reduction in 1988, although *some* budget analysts insist that as much as $7bn of these savings are questionable.

Leaving aside these reservations, the Congressional budget claims to reduce the budget *deficit for the 1988 fiscal* year to $134bn, which compares with the deficit target set by the Gramm-Rudman-*Hollings* budget reform law of $108bn. On Wall Street economists question whether, even if the budget proposals are implemented, the deficit will be reduced much below the $170bn to $180bn many expect for 1987.

Implementation of the Congressional budget proposals is being thrown into doubt not only by the divisions among the Democrats themselves over the political wisdom of their budget plan, but also by President Reagan's vigorous efforts to exploit those divisions.

Quebec ratifies deal

QUEBEC has ratified the Meech Lake agreement designed to let *it* accede to the Canadian constitution of 1982, writes Robert Gibbens in Montreal. When the *federal parliament* and the other nine provinces have done likewise. French-speaking Quebec will be constitutionally recognised as a distinct society within Canada.

Postponement of the Arias plan has exposed possibile fatal flaws, **Peter Ford** reports

No time to sue for peace in Central America

COSTA RICA'S peace plan for Central America is floundering in the face of apparently insurmountable odds, just four months after President Oscar Arias launched his initiative to broad international acclaim.

The postponement of a Central American presidential summit, due to have been held this week, has exposed possibly fatal flaws in Mr Arias' plan to end all the region's conflicts simultaneously, according to diplomats here.

"The possibilities of the plan look absolutely zero, at the moment," says one Western envoy here gloomily.

Over the past two weeks, the Arias Plan, which won wide support during the president's recent European tour, has run up against open opposition from Washington and misgivings among certain Central American governments.

At the same time, apparent divisions between Mr Arias and Mr Rodrigo Madrigal Nieto, his Foreign Minister, over Costa Rica's regional diplomatic role has raised a further question mark over the peace plan's future.

The five Central American *presidents had planned to meet* this week to discuss the proposal, which includes ceasefires *to halt guerrilla* wars *in Nicaragua*, El Salvador and Guatemala, national negotiations to lay the basis *for more lasting* peace and an end to outside support for guerrilla forces.

But just two weeks ago, after a meeting with special US envoy Mr Philip Habib, Salvadorean president Mr Napoleon Duarte asked that the summit be postponed until August.

Costa Rican officials say Mr Arias was incensed by what he saw as clear US pressure to delay the summit, but was forced to concede the postponement when Honduras, Washington's other firm regional ally, supported Mr Duarte's request.

US officials have made no secret of their reservations about Mr Arias' proposals, saying the plan would relieve pressure on Managua by destroying the US-backed Contra army be*fore the Sandinistas had moved* towards "genuine democratisation."

President Reagan *told* Mr Arias at a meeting last week in Washington that he intended to ask the US Congress for further Contra aid this autumn.

"The key thing the Americans are thinking about is the aid vote in September," suggests one European diplomat here. "A lot of people in Congress would not vote for the aid if there was a peace plan in play."

Costa Rican officials, however, while resenting US attempts to stall their peace efforts, acknowledge that El *Salvador and Honduras have* their own reasons to be wary of the initiative.

President Duarte faces strong pressure from right wing groups and his own military, which oppose amnesties for political prisoners, a requirement of the Arias plan. Honduran president *Mr Jose Azcona is worried that*, should the peace plan succeed, his country would have to deal with a disintegrating Contra army as its funds were cut off.

Nicaragua, meanwhile, has voiced no opinion on the Arias plan beyond dropping unofficial hints that it might be prepared to sign the document as it stands.

Whatever Managua's misgivings about the plan, as one Costa Rican *official* said, "why *should the Sandinistas* appear the obstacle, when they know that El Salvador has grave reservations?"

"Nicaragua is under no pressure to go along—it just *doesn't want to be blamed* for the plan's failure," adds a diplomat here.

Aside from outside pressures and problems, however, reported differences between Mr Arias and Mr Madrigal Nieto over how San Jose should position itself in the shifting sangs of Central American diplomacy also appeared to be undermining the peace plan's prospects.

Mr Arias and his ruling National Liberation Party, says one presidential adviser, would rather see Costa Rica aligned with Guatemala — also playing an "honest broker" role—and Nicaragua, against US allies El Salvador and Honduras.

Mr Madrigal Nieto, however, whose reputation is much more *pro* American, is apparently seeking to place Costa Rica in the El Salvador-Honduras camp, *isolating the Sandinistas*.

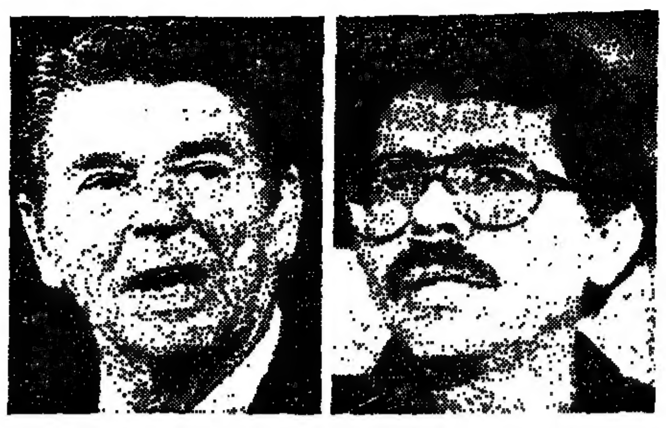
Mr Arias' purpose, according to his adviser, is to reinforce Costa Rica's independence and to expose what he sees as the contradiction between Washington's public support for diplomatic solutions to the Central American crisis and its insistence on using military means, such as the Contras.

At bottom, *laments* one Costa Rican official, the Arias plan's major problem is that Washington and Managua interpret the Central American situation in opposite ways, but draw the same conclusions: that the time is not ripe to sue for peace.

The US Administration, he believes, sees Nicaragua's economic crisis worsening and the Contras *doing well* enough to win further US aid, so that the rebels could win if a negotiated peace is postponed.

The Sandinistas, on the other hand, says the official, see President Reagan weakened by the Irangate affair and the Contras "*strategically defeated*," unable *to attract more funding*.

With the prospect that the next US *Administration will be* more flexible, he adds, Managua too would rather put off making any concessions.



President Reagan (left) and President Daniel Ortega of Nicaragua: neither sees an advantage in the Arias plan

Bomb attacks hit Argentina

BY TIM COONE IN BUENOS AIRES

A SERIES of apparently coordinated bomb attacks in various Argentine cities early yesterday damaged 15 local branches of the ruling political party, and an office of a human rights organisation.

There were no victims. No organisation has yet claimed responsibility for the attacks, which happened within 24 hours of the supreme court ruling that the controversial "due obedience" law was constitutional.

Following the ruling, more than 100 military and police officers who faced possible prison sentences for crimes of murder, torture and illegal abduction during military rule, have had all charges against them dropped and immunity against future prosecution guaranteed under the terms of the law.

In the coming days, a further 200 to 250 military and police officers *are expected to have* charges dropped.

One suspect who was released from custody yesterday under the new law, was a naval lieutenant, Alfredo Astiz. He faced a total of 18 charges and was found responsible in an earlier trial for the kidnapping of a young Swedish girl, Dagmar Hagelin in 1977, who later disappeared. Lt Astiz could not be sentenced as the charge for the crime had run out.

An open verdict was made regarding the girl's alleged murder as her body was never found. Her case is similar to those of some 9,000 others who disappeared following abduction by security forces between 1976 and 1983. Lt Astiz's name has also been linked to the disappearance of two French nuns during military rule. He also *incurred publicity when he* surrendered his unit on the South Georgia islands, reportedly without offering resistance, to troops of the British task force during the 1982 war.

The due obedience law, which absolves junior and middle ranking officers from responsibility for their crimes, was passed by the congress under pressure from the armed forces which threatened further rebel*lions if the trials were not* halted.

The wave of bomb attacks comes on the heels of a warning made at the weekend by the head of the intelligence services, Mr Facundo Suaraz, that ultra-right groups "are in the process of reorganisation"

US grant for Bolivia held up by drugs plan hitch

BY CHRISTIAN TYLER IN VIENNA

THE BOLIVIAN foreign minister, Mr Guillermo Bedregal-Gutierrez, said in Vienna yesterday that the US was "asking too much" in return for the reported $120m it has pledged towards a $300m three-year plan.

However, he said he hoped to reach an agreement in the *next two weeks, following* discussions with American officials at the Vienna UN conference on drug abuse and trafficking.

The US grant is conditional on reform of Bolivian statutes to make the cultivation of the coca leaf—the raw material for cocaine—illegal for all but a few traditional growers.

It also depends on ironing out what Mr Bedregal-Gutierrez described as problems of interpretation. This is thought to mean that there is disagreement about the method to be used against drug runners and the speed at which crop substitution can occur.

The minister said Bolivia was working on a new Act, the first draft of which had been adopted by the Senate.

About half the supply of cocaine to the US comes from Bolivia. Bolivia depends on sales of narcotics for two-thirds or more of its foreign exchange needs. Last year, coca growers were earning an estimated $10,000 a year on average, compared with $200 a year for other farmers.

US newsman's fate unknown as hostages freed

BY NORA BOUSTANY IN BEIRUT

MR ALI OSSEIRAN, the son of Lebanon's Shia Moslem Defence Minister, was freed yesterday near the port city of Sidon without his companion, US newsman Mr Charles Glass.

A Syrian bid to secure at the same time the release of Mr Osseiran's, driver, Mr Sleiman Ali Sleiman, and Mr Glass, through subtle pressure and veiled threats to Iran-backed fundamentalists, appeared to have foundered.

Hopes that the US journalist – who came to Lebanon recently to work on a travel book – would be treated more favourably than other American hostages because he was the guest of a prominent Shia family, were dashed when Mr Osseiran and his driver were freed after a week in captivity.

Mr Osseiran, who had tried to defend his American guest during the abduction last Wednesday by wrestling with the kidnappers, reportedly refused to be freed without Mr Glass.

Security officials in West Beirut said Mr Glass could now be added to the list of nine US hostages in Lebanon. His chances for release had seemed brighter earlier in the week, but radical action by Syria to free him appeared remote yesterday.

Sources close to the Syrian military command said Syrian troops *took measures to restrict the movements* of Hizbullah followers, believed to be connected to the kidnappings, and Iranian revolutionary guards in Lebanon.

Unconfirmed reports said American-linked educational establishments had been threatened if Syria planned reprisals against Shia fundamentalists in the suburbs.

The Osseiran family said their son was brought to the Sidon shore by boat from Ouzai, where he was kidnapped. His clothes were drenched, which meant he had to swim a certain distance.

The bizarre release and reticence by the Osseirans on Mr Glass's fate did not shed any light on his disappearance. No group has so far claimed responsibility for his kid*napping.*

Leading Shia Moslem cleric Mohammed Hussein Fadlallah, believed to be the mentor of Hizbullah or the Party of God, said yesterday that an entry of Syrian troops into the suburbs to search for Mr Glass "was out of the question."

The religious leader was personally asked to intervene with the kidnappers. He said from his well-guarded villa in the mainly Shia southern suburbs – a stronghold for pro-Iranian extremists – that Syria had no choice but to maintain good ties with Iran, regardless of specific events in Lebanon.

The intensity of efforts by Syrian intelligence officials bent on restoring their credibility as the protec*tors of Westerners in the Moslem*-controlled parts of Lebanon have now apparently been countered by an Iranian resolve to keep Americans out.

Peter Blackburn reports on the reasons why the West African state has suspended debt payments

Ivory Coast runs out of patience with IMF austerity

WHEN THE Ivory Coast announced recently that it was suspending debt payments the shock waves spread far beyond this small French Speaking West Africa State.

The Ivory Coast has long been regarded as one of the rare African success stories—all the more remarkable because its rapid economic growth since independence has been based on agriculture rather than oil or mineral resources.

"If Ivory Coast cannot pay its debts then what hope is there for the rest of Africa?," bankers ask.

The Ivory Coast, with its political stability and liberal economic policies, has traditionally been a "favourite son" of bankers, bilateral and multilateral aid donors. Unlike some other African countries, it has not lacked financial support for its economic reforms.

The country was encouraged to borrow to such an extent that it has now become one of the world's most indebted countries in per capita terms, with external debts of over \$8bn for a population of only 10m.

The Ivorian announcement reflects the gravity of Africa's debt crisis as well as a hardening of attitude among African countries towards Western creditors both for their lack of support and the harsh conditions attached to their aid.

The Ivorian Government has pointed out that the International Monetary Fund and World Bank austerity measures and economic adjustment programme which it has obediently implemented since 1981 have brought little benefit and much pain.

However, only last year it looked as if the country was back on the road to recovery—the economy was expanding again and a multiyear rescheduling of external debt had freed resources to help achieve a 4 per cent a year growth target.

Unfortunately the collapse in the prices of cocoa and coffee which provide some 60 per cent of Ivorian export earnings quickly undermined the rescheduling scenario.

Coffee prices have since fallen by 44 per cent and cocoa by *20 per cent, while a 15 per cent* depreciation of the dollar against the local CFA currency has further reduced export earnings.

Real gross domestic product is now expected to decline by 1 per cent in 1987 compared with a 3.5 per cent annual average growth rate envisaged during the four year rescheduling.

The Caisse De Stabilisation, the state commodity marketing board, is now making a loss on the cocoa and coffee it buys from farmers at guaranteed prices.

Houphouet Boigny: backed price guarantees for farmers

As a result it expects to make a loss this year of \$330m *instead of the forecast profit* of nearly \$500m.

In addition to the sharp drop in export earnings, lower than expected tax revenue will continue to a forecast financial deficit of \$750m in 1987.

Despite the rescheduling, debt service remains the largest item contributing to the shortfall. Moreover debt payments are due to rise from \$1.2bn in 1987 to a peak of \$1.6bn when they will absorb over one third of export earnings.

The Government feels it has exhausted both its patience and the range of administrative measures recommended by the IMF and World Bank.

"We now consider that the indefinite continuation of austerity on such a scale would endanger the political and social stability of our country." Mr Abdoulaye Kone, Economy and Finance Minister, told the country's creditors in Paris recently. After a long period of stabilisation the time has come to relaunch the economy, he added.

The Government has recontacted its creditors in order to search for new solutions. Although an IMF team returned to Washington early this month after apparently having made no progress, an initiative may be forthcoming when Mr Michael Camdessus, the IMF's director general, visits Abidjan this weekend.

The irony of the crisis *is that the Ivory Coast,* the world's largest cocoa producer, expects a record crop for the third successive season. During the previous drought-linked crisis crops were badly affected while soaring dollar and interest rates swelled debt service

In the meantime, the Ivory Coast has suspended debt payments until world commodity markets improve and mutually acceptable solutions are found.

The irony of the crisis is that the Ivory Coast, the world's largest cocoa producer, expects a record crop for the third successive season. During the previous drought-linked financial crisis in 1983-84, crops were badly affected while soaring dollar and interest rates swelled debt service.

"The country is hostage to commodity speculators and other forces beyond its control," economists say. These include sharp fluctuations in world commodity prices, dollar and interest rates and climatic conditions.

Long-term structural solutions include reduced dependence on cocoa and coffee exports, increased local processing of commodities, improved market information and use of term markets to hedge against fluctuations in commodity prices and exchange rates.

Despite some successes, notably with cotton and rubber, the country remains vulnerable to the whims of cocoa and coffee traders. However, recently prices have been depressed for all the country's cash crop exports.

International agreements to stabilise cocoa and coffee prices have been "inefficient and *expensive," according to Mr Bra* Kanon, Agriculture Minister.

Some of the country's non-productive investments are criticised, including the construction of the world's largest basilica in Yamoussoukro. Modelled on Rome's St Peter's, it will cost about \$100m when it is completed in 1989.

Prestigious colleges of higher education, new hospitals and frequent seminars in Yamoussoukro are other targets of criticism. Funds would be more usefully spent on primary schools and drugs for dispensaries, critics say.

Amid the general economic malaise, 81-year-old President Houphouet Boigny remains healthy and the economy has replaced the succession as the main subject of speculation.

Last week President Boigny firmly scotched rumours, sparked by payments problems, of Ivory Coast leaving the CFA zone. "There is no question of it. The CFA is in good health," he told a rural development conference in Abidjan.

At the same time President Boigny announced that cocoa and coffee producer prices would be maintained despite the drop in world prices. Although a popular move, this political decision will further strain the country's finances.

Zimbabwe imposes wage and salaries freeze

BY TONY HAWKINS IN HARARE

ZIMBABWE yesterday imposed a "temporary" wage and salaries freeze and promised strict control on prices pending the establishment of an incomes and pricing commission.

Announcing the move, Dr Bernard Chidzero, the Finance Minister, said the pay-freeze would be reviewed in January next year when it was hoped the incomes commission would be operational.

Dr Chidzero said the freeze was necessary for budgetary as well as national economic reasons including the strained balance-of-payments situation, rising unemployment and depressed investment.

The move is bound to be unpopular coming at a time when real incomes are falling while average real wages are estimated to be no higher now than at independence seven years ago.

Inflation is running at 12 per cent after 14 per cent in 1986 which means that low-income workers who received a 10 per cent pay rise a year ago are already feeling the pinch.

While business leaders are relieved that the Government has not imposed a general pay increase as in the past each year, they are also unhappy at the prospect of even tighter price controls.

The pay freeze will make it easier for the Government to contain – if not reduce – the budget deficit in the 1987 budget next month. However, businessmen believe it will not be possible to maintain the freeze for more than six months and that "catch-up" wage awards will be allowed early in 1988.

Harare business doubts

BY TONY HAWKINS IN HARARE

ZIMBABWEAN industrialists are more pessimistic now than at any time since the end of 1983 according to the latest business opinion survey conducted by the University of Zimbabwe.

The survey of 122 industrialists finds that a third of the respondents expect production to fall by more than 10 per cent in the second half of 1987. Capacity utilisation is estimated to have declined to 67 per cent from 70 per cent a year ago while a further decline to 65 per cent is expected in the latter half of 1987.

Investment intentions have deteriorated and almost a quarter of respondents expect to lay off staff later this year. Some 83 per cent of respondents say that production is being inhibited by a shortage *of foreign exchange.*

China denies interfering in Hong Kong

By Robert Thomson in Peking

CHINA yesterday kept up the pressure on Hong Kong and on the British government by releasing two statements reiterating its opposition to direct elections in the territory and, implicitly, outlining its right to influence developments before taking control in 1997.

Li Hou, the deputy director of China's Hong Kong and Macao Affairs Office, claimed that China was not interfering by passing public judgment on the progress of political reform in Hong Kong. In a report carried in the "People's Daily," he also stressed that China opposed the holding of direct elections

While Li maintains that he is not influencing affairs in Hong Kong his comments come when the Hong Kong public is considering options for political reform, and so they will obviously influence thinking in the territory.

A Chinese Foreign Ministry spokesman told a press conference yesterday that political reform must "converge" with basic law presently being drafted for a Hong Kong under Chinese control, and also maintained that stating China's position is not interfering

The Foreign Ministry spokesman said China's view is shared by Britain, although there was no comment from the British Embassy in Peking. The spokesman said that unless there is a "convergence" between political development in Hong Kong and the Basic Law, the territory's stability and prosperity will be under threat during the 1990s.

The statements reflect China's desire to be seen not to be interfering for fear of unnerving the territory, and the conflicting desire to get its point across on direct elections while public debate continues on political reform.

Pragmatic Chissano gives a ray of hope to Mozambique

BY VICTOR MALLET IN LUSAKA

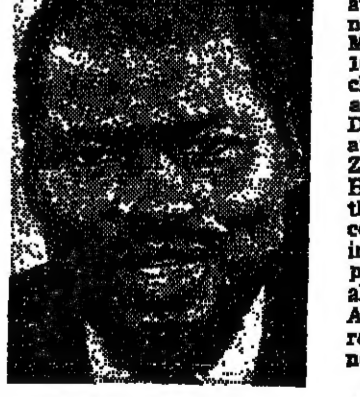
FESTIVITIES IN Mozambique this week to mark the country's 12th anniversary of independence from Portugal will be held against a sombre background of war and famine, although recent policy moves have brougt a glimmer of hope.

President Joaquim Chissano, who took over the leadership after the death of Mr Samora Machel in an air crash last year, has taken decisive steps to strengthen the army in its fight against guerrillas of the Mozambique National Resistance and to restore the shattered economy. He has also attempted to allay western fears about Mozambique's Marxist-Leninist policies with his own brand of urbane pragmatism.

Most recently Mr Chissano ordered a much-needed shake-up of the military command, appointing Lieutenant-General Antonio Ama Thai as his chief of staff, replacing nine of the 10 provincial military commanders, and changing other senior posts in a move seen as an attempt to reward the few military men who have scored successes in the war against the rebels.

Mr Ama Thai was the air force commander and had been stationed in the fertile province of Zambezia, where government troops have driven MNR guerrillas out of several important agricultural districts in the past few months.

Mozambique's army of some 14,000 has a poor reputation.



Chissano: military shake-up

Sometimes soldiers are without food or boots, and they have been accused of becoming MNR "bandits" by night to rob the local population. Strategic points captured by the Zimbabwean troops supporting Mozambique have been lost again to the rebels when left in the hands of Mozambican forces.

As the Maputo Government strives to improve the army's morale, logistics and training *(the latter with the help of the* British), the rebels have responded to the Zimbabwean threat by taking the war into Zimbabwe itself in line with a declaration of war they made in October.

In the latest incident at the weekend, Roman Catholic nuns at a mission near Zimbabwe's north eastern border with Mozambique said that at least 10 villagers, five of them children, had been shot dead by a group of MNR guerrillas. Despite this and other reported attacks on villages in eastern Zimbabwe, the Government in Harare has kept silent or denied the incidents. Meanwhile the conflict in Mozambique becomes increasingly international and puts a further strain on the already unstable southern African region. Thousands of refugees have poured into neighbouring countries.

The MNR, which numbers about 10,000, has been supported by South Africa, by right-wing Portuguese who had a stake in Mozimbique before independence and by some Middle Eastern countries apparently resentful of the Mozambican government's early opposition to Islam.

Against the MNR and its allies are pitted the soldiers of Mozambique, Zimbabwe, Tanzania and Malawi, helped by East Bloc and by Western military advisers. The main task of the 6,000 to 8,000 Zimbabweans has been to guard the corridor linking Zimbabwe to the Mozambican port of Beira, but both they and an estimated 2,000 Tanzanians have also been deployed in offensives against the MNR.

Fiat Auto signs draft pact for Algerian venture

BY JOHN WYLES IN ROME

FIAT AUTO yesterday signed a draft agreement for a L200bn (£95m) joint venture to establish a passenger car and commercial vehicle manufacturing plant in Algeria.

The deal amounts to Fiat Auto's most significant overseas investment since it set up in Brazil a decade ago.

It also marks a significant strengthening of Italy's commercial presence in North Africa after a major push in the last few years to strengthen the country's political relationships in the area.

The new venture looks to the production of around 30,000 vehicles a year from late 1990. The passenger models involved will be the Fiat Uno and Regata together with a small van, the Fiorino, and the larger commercial van, the Ducato.

According to Fiat, production should increase to 40,000 units a year for an Algerian market whose current size is 100,000 delivered vehicles a year.

The Turin company said yesterday that it fought off competition from US, Japanese and other European vehicle manufacturers to sign the agreement with L'Entreprise Nationale Production Vehicules Particuliers (ENPVP).

Fiat's initial shareholding will be worth L30bn, equivalent to 36 per cent of the joint venture's capital, and its ultimate stake should reach 49 per cent.

The supply of vehicle parts from Fiat and other, mostly Italian, manufacturers is expected to be L1,500bn over 10 years. Some local capacity for component manufacturing is also projected and this will require further expenditure on personnel training and technical assistance.

Financing of the Algerian share of the venture will be largely supplied through Italian credits which will be repaid through delivery to Italy of Algerian energy products, Fiat said yesterday.

The production plant will occupy 580,000 square metres on a site at Ain-Bouchekif, in the region of Tiaret which is about 150 miles south-west of Algiers.

Negotiations have been going on for well over a year and were helped along by a visit to Algiers last October by Mr Bettino Craxi, the then Italian Prime Minister, and Mr Rino Formica, his Foreign Trade Minister.

Among other matters, this visit may have facilitated agreement on details of the repayment arrangements for credits, involving shipments of Algerian gas.

It was not clear last night what impact the agreement would have on the negotiations which have been sporadically under way for 15 years on the establishment of a Pirelli tyre manufacturing facility in Algeria.

EC agrees to open trade negotiations with GCC

BY QUENTIN PEEL IN BRUSSELS

THE EUROPEAN Community has agreed to open long-delayed trade negotiations with member states of the Gulf Co-operation Council by the autumn, following a ministerial meeting in Brussels.

The talks will have to tackle the thorny problem of European imports of petrochemicals from the Gulf, especially Saudi Arabia, which EC chemical manufacturers fear could seriously threaten their own production.

However European diplomats are adamant that the resulting trade ties will fall short of a fully-fledged free trade area, as sought by Saudi Arabia in particular.

There is no clear agreement on either side on the form that future trade relations should take, except a general desire that ties should be closer.

The ministers, led by Mr Leo Tindemans, the Belgian Foreign Minister, on the EC side, and Prince Saud Al Faisal Bin Abdul Aziz, the Saudi Foreign Minister, on the Gulf side, merely noted their "common desire to improve trade exchanges to the mutual benefit of both regions."

They agreed to recommend to their respective partners that formal negotiations should open "as soon as possible and not later than the Autumn of 1987."

The tone of the communique disguises difficulties on both sides. While the EC countries are very cautious about dropping all tariffs on petrochemicals from the Gulf, which are already highly competitive on the European market, the Gulf countries are themselves by no means united on the benefits of a free trade area.

Contracts signed for Argentine hydro-plant

By Tim Coone in Buenos Aires

AFTER almost seven years of protracted negotiations, contracts valued at $270m (£168m) are finally to be signed tomorrow for the supply of 20 turbines for the 2,760 mw hydro-electric project at Yacyreta on the Argentine - Paraguayan border.

Seven of the turbines will be manufactured locally, nine others will be supplied by the US-based Voith company of West Germany and the remainder by a subsidiary of Canadian General Electric.

The US Eximbank and the Export Development Corporation of Canada are to provide $160m finance for the foreign-built turbines, while the Argentine central bank will finance the locally manufactured ones.

Generating equipment worth $82m for 10 of the turbines was contracted last March with a Japanese consortium led by Mitsubishi and financed with commercial credits from the consortium and additional support from the Japanese exim-bank.

The Yacyreta project will be Argentina's biggest hydro-electric dam when completed in 1997 and will generate almost half of the country's present electricity demand.

So far, over $2bn has been invested in the project since the work was first put out to tender in 1973 and the total cost, at today's prices, is expected to reach $5.6bn. The project has suffered numerous delays because of financing problems. The first turbine is now expected to enter operation in 1993.

Contracts for the supply of turbines and generating equipment for another major hydro-electric project at Piedra de Aquila in the south of the country, were also signed recently with the Soviet Union. The project will add 2,100 MW generating power to the country's electricity grid and will come on-line in 1990.

Dassault holds aircraft talks with Saudis

AVIONS Marcel Dassault-Breguet, the French aircraft maker, is discussing the sale of combat aircraft with Saudi Arabia, it said yesterday. But it denied a press report that a deal had been reached, Reuter reports from Paris.

A spokesman for the state-controlled company said Saudi Arabia might be interested in the Mirage 4000, a heavier, two-engine version of the widely-sold Mirage 2000, as an alternative to the American F-15.

Nancy Dunne reports on the prospects of a bill with almost unlimited scope

Trade bill which tries too hard to please

ON CAPITOL HILL these days an amendment to the 1987 Trade Bill provides an easy solution to any crisis.

For the recession in the oil-producing states, the measure heading for the Senate this week contains a requirement that the President head off foreign oil supplies if imports exceed more than 50 per cent of US consumption.

For the farm recession, the Bill offers more funds for export subsidies, a possible expansion of the farm export subsidy programme and authority to negotiate under the new round of the General Agreement on Tariffs and Trade (keeping Congress closely informed) so that agriculture subsidies can be phased out. There is one proposal to allow food sales to Cuba and another to tighten restrictions on trade with Cuba.

For the unions, there is an assistance scheme designed for "displaced" US workers which would be financed by a tax on imports of questionable legality under international trade agreements.

For Third World debtors, the Senate would give long-awaited approval to US membership in the Multilateral Investment Guarantee Agency (Miga) to insure private investment in developing countries. However, it lays two controversial restrictions on US membership which would kill either Miga or US participation.

For China, everyone's favourite market among less developed countries, a new definition of "planned market economies" has been devised to lessen the likelihood of anti-dumping penalties.

To protect against feared foreign "invasion" of the US economy while the falling dollar is devaluing assets, the President may be given — unasked — the power to prohibit foreign investment when it threatens national security. Foreign investors could also be required to register their acquisitions with the Commerce Department.

These measures and a great deal more are the work of nine diverse committees originally given one brief: to improve US competitiveness. Debate is set to begin this week on the committees' work, as well as at least 100 amendments. Optimists believe the Senate will produce a final Bill in about three weeks.

The proposed legislation has been called protectionist by many critics, including the

Mr Willy de Clercq

President, who frequently threatens to veto it. In fact, Congressional Democrats have striven mightily to avoid sectoral protectionism and have sought instead to stress market opening measures and boosts for exports.

The leaders have not, however, succeeded in limiting the scope of the legislation. Its potential for economic dislocation around the world strikes terror into the hearts of foreign governments, whose Washington representatives have mounted a sophisticated lobbying effort against the most damaging provisions.

In a "non-paper" on the Trade Bill, the EC warns against any measure—and there are several—which would limit the discretion of the President in addressing trade problems. It warns that the US cannot unilaterally change trade laws which have been agreed upon multilaterally without the risk of counter-reaction from its trading partners.

While the European diplomatic community has skilfully organised opposition to anti-investment proposals, the Mexicans have mounted a drive against a measure to redefine "natural resource subsidy" in a way which would damage their cement, ammonia and carbon industries.

A special committee of the Organisation of the American States has met with the Administration to warn of the impact the Bill could have on Latin American economies.

New Zealand is waging war against lamb quotas. Other governments have expressed their worry through special visits. Taiwan sent a delegation of state-owned industry executives who say they want to help deal with the trade deficit problem by investing their surplus foreign exchange in US industry.

Mr Willy de Clerq, the EC's foreign trade commissioner, will visit Washington from July 6-9 to lobby against provisions which both the Reagan Administration and the Community oppose.

Sir Roy Denman, head of the EC delegation in Washington, made his own appeal through an article in the Washington Post. The Community, he said, had updated its list of 30 US trade barriers that impede EC exports, a demonstration that "practices that impede trade are not limited to foreigners."

The Administration itself has drawn up a 26 page list of objectionable provisions. Some will be tackled on the Senate floor. Others will be fought over in the House-Senate conference.

Republican leaders have expresed optimism that Congress can produce a Bill the President can sign, but no one is sure. "The Bill could get worse," said Senator Robert Packwood, a key Republican, "or it could get better and better."

Danish groups in electronic mail venture

By Hilary Barnes in Copenhagen

COPENHAGEN TELEPHONE Company and IBM Denmark are setting up a joint venture to provide complete programmes for corporate external electronic communications, including electronic mail.

The company will be called DanNet and the two groups will each contribute DKr 50m in share capital.

DanNet's function will be the provision of communications systems between subscribers, irrespective of which computer hardware the companies may be using, Mr Per Amnitzboell, Copenhagen Telephone's chief executive said.

Copenhagen Telephone is one of three regional phone companies, all of which operate under a government licence and the Government holds the share majority in the companies.

The new company will be operating on a purely commercial basis in an area of business which is not covered by the terms of Copenhagen Telephone's licence.

As Denmark has only a few manufacturers of telephone equipment, the Danish market has long been regarded as one of the most open to competition in Europe.

New US-Japan chip row flares

BY LOUISE KEHOE IN SAN FRANSISCO

A NEW US-Japanese semiconductor dispute emerged this week with National Semiconductor, one of Silicon Valley's largest chipmakers, accusing Toshiba of Japan of copyright infringement. But yesterday, Toshiba denied the accusation.

In contrast to other recent trans-Pacific chip rows, both sides in this case want to settle the dispute without legal action.

National claims that Toshiba has violated copyrighted elements of one of its proprietary chip designs, but the US company says that it hopes to resolve the issue through negotiations.

"Toshiba is a valued customer and we hope to reach a settlement," a National spokesman said. Talks between the two companies, which began last week, "are at a delicate stage. We are disappointed that this issue has become public."

According to National, Toshiba bought large quantities of chips called "uarts" (universal asynchronous receiver transmitter) for use in its personal computer products until early this year. When the Toshiba orders dried up, the US company investigated, only to find, it claimed, that Toshiba had begun production of its own version of the chips.

"The Toshiba chips are physically different. The dispute centres on the microcode, which is copyrighted," a National spokesman said. Microcode is the internal program that controls the functions of the chip.

National's reluctance to make a major issue of the copyright dispute may also reflect concern that such action would exacerbate trade tensions between the two countries at a time when US chipmakers are beginning to make some progress in the Japanese market.

For Toshiba, the chip copying dispute comes at a particularly difficult time. The Japanese company is already under attack in the US over export of computer equipment to the Soviet Union and has been banned from Pentagon contracts.

National's pragmatism contrasts with the attitude of other US chip makers who have been outspoken critics of alleged Japanese "copying."

In recent disputes, Intel is sueing NEC of Japan for alleged copyright infringement and Texas Instruments has a patent suit filed, also against NEC.

Over the past six months, Texas Instruments has reached settlements of patent disputes with six other Japanese chipmakers

● Toshiba yesterday denied that it had copied the chip in violation of copyright.

Mr Yuji Wakayama, manager of Toshiba's public communication section, said the TC8570 integrated circuit developed by Toshiba was "similar" to NSC's asynchronous communications element, or 16450 chip.

But he repeated that Toshiba had not violated NSC's copyrights.

JAPAN'S powerful Ministry of International Trade and Industry announced guidelines yesterday allowing Japan to increase production of key computer microchips, a ministry official said, Reuter reports from Tokyo.

But the higher output, allowed partly to satisfy US computer makers who complained about scarce chip supplies, is unlikely to cause prices to fall, industry analysts said.

The guidelines allow for a 10 per cent rise in output of both 256-kilobit dynamic random access memory (DRAM) chips and erasable programmable read only memory (EPROM) chips.

Foreigners lift investment in US by 13%

FOREIGN investment in the US rose by 13 per cent last year, a $24.7bn increase that brought the total amount of investment from abroad to $209.3bn, the US Commerce Department said yesterday, Reuter reports from Washington.

The rise in foreign investment last year, compares with a 12 per cent increase in 1985.

Meanwhile, US investment abroad also rose by 13 per cent last year, or $30.1bn to $259.9bn, the department said. That was up from a 9 per cent rise in 1985.

Tax reform, concerns over growing trade protectionism, the dollar's decline in value and continued US economic growth contributed to the 1986 rise in foreign investment.

Tax law changes that took effect in January 1987 encouraged investors to complete takeovers of US companies before the end of the year.

"Corporate restructuring in the US, continued US economic growth, concerns over possible US protectionist measures and depreciation of the dollar also contributed to the increase in foreign direct investment."

Seoul riots fail to ruffle businessmen

BY MAGGIE FORD IN SEOUL

OFFICIALS AT South Korea's central bank have finally stopped crying. For days, work has almost ceased as they attempted to cope with the waves of tear gas which wafted up from the quare below, scene of some of Seoul's largest demonstrations.

Bankers have now returned to the more mundane, if no less pressing tasks of dealing with the appreciation of South Korea's currency, the won, coping with money supply and managing a surplus economy.

Even after the appreciation of the won, the outlook for the economy continues to be good. Mr Chung In Yong, the new Economic Planning Minister, announced last week that the growth forecast for 1987 had been revised upwards from 8 per cent to more than 10 per cent.

The effect of the last fortnight's disruptions on business appears to have been slight. Some companies report a drop in sales, probably due to shop closures during periods of intense tear gas battles.

South Korea has strict foregn exchange controls and hence is not subject to capital flight in times of disturbance.

Export production has been totally unaffected. Factory workers, strictly watched by their companies, and allowed no meaningful trade unions, are situated well away from the big cities where demonstrations have taken place.

Some of the more marginal overseas trading companies seem to be staying away from Seoul, perhaps alarmed by dramatic television pictures.

Taiwanese companies reported an increase in orders from the US and Europe as importers worried about shipping disruptions if the turmoil continued. But bankers said that companies with strong lings to South Korea remained unperturbed.

In general, senior executives of South Korean companies remain unruffled. Company managers, most of whom are firmly under the control of their department heads, have been conspicuous by their absence in the streets.

Though Seoul's financial community and the rest of the educated middle class led the movement for democracy when it started in earnest on June 10, businessmen have not signed statements calling for democratic change. "Business people always remain neutral," noted one executive.

Earlier this week, the Korea Economic Daily newspaper said in an editorial that this complacency was inappropriate, as a number of economic problems were lurking for South Korea.

But business confidence remains high. "Nobody in this country wants the economy to stop growing," said one businessman. "We will be able to cope with the desire for stability and change."

Mercury plans nationwide phone expansion

BY TERRY DODSWORTH, INDUSTRIAL EDITOR

MERCURY, the UK telephone operating company set up in competition to British Telecom, is planning to launch a nationwide service for residential subscribers within the next few months.

Mr Gordon Owen, Mercury's managing director, said yesterday that the new programme could be introduced this summer, although he ruled out August for a launch because of the holiday season.

The company was considering alternative advertising methods, he said, including television and newspapers.

Mr Owen accompanied the announcement of the new plans with a forecast that Mercury would move into profit over the next six months after losing $4m in its financial year to the end of March. He described this achievement of profitability, only two-and-a-half years after Mercury was acquired by Cable and Wireless, as an 'industrial miracle'.

Up to now, Mercury has concentrated its investment effort on the development of a national fibre optic network and lines for corporate customers, particularly in the City of London.

Because of the deregulation of the financial markets, the City has experienced exceptionally strong demand for additional telephone lines over the last 18 months, generating more business than the telephone companies have been able to cope with easily.

Mercury, however, has been looking at the possibility of extending its services to residential customers, and earlier this year began two pilot schemes in Nottingham and Derby.

Mr Owen said the results of these projects had been better than expected and that the group was now evaluating the experiments to decide on the way in which it would introduce its national scheme.

According to Mercury, subscribers connecting to its service will save money if their quarterly telephone bill is more than £75. On long distance calls, the company offered a 15 per cent saving over the comparative British Telecom rates, he added.

New customers have to be equipped with a special Mercury telephone receiver, which has a unique switching mechanism to route calls through the local British Telecom network into the Mercury system. The company says that it would be possible to offer a satisfactory service to between 70 per cent and 80 per cent of the UK population by these means.

Mr Owen refused to give figures on the company's sales last year or the number of subscribers it now had on its system. But he claimed that Mercury's order book was now increasing at a rate of more than 300 per cent a year. In the last year it had increased its workforce by 800 to 1,900 employees, he said.

LLOYD'S SETTLEMENT OFFER ACCEPTED BY SYNDICATE 'NAMES'

PCW members to pay £34m

BY NICK BUNKER

THE LONG-RUNNING PCW affair at Lloyd's of London is over, Mr Peter Miller, the market's chairman, said yesterday at the annual general meeting of Lloyd's.

He revealed that 96 per cent of the 1,547 worst-hit members of the old PCW insurance syndicates have now accepted a settlement offer which clears them of any further liability for underwriting losses estimated at a net £235m.

The settlement terms require them to pay about £34m to help set up the cash fund of £134m which Lloyd's needs to provide against the syndicates' losses over the next 20 years.

The huge losses began to emerge in 1984–85, two years after it was discovered in late 1982 that the PCW syndicates had been the victims of large misappropriations by their former managers.

About 60 PCW members (or "Names"), including six in the US, have still not accepted the offer, which was made on April 9, Mr Miller said. He expected more PCW members to accept before a final deadline of July 8. "Is it going to be under or over 99 per cent? We shall see," Mr Miller added.

So far 19 PCW Names have asked Lloyd's for help, using special "hardship" arrangements for Names who want to settle but do not have money available.

Those who do not accept by July 8 are unlikely to be able to pass the annual solvency test which Lloyd's applies to members who want to continue underwriting, Mr Miller said.

A hard-core of PCW Names who have not accepted the offer are thought likely to sue Lloyd's and other parties in the insurance market. Possible defendants include insurance brokers such as Minet Holdings, which owned the old PCW underwriting agencies, and Sedgwick Group.

Minet has agreed to contribute up to £12.5m to the Lloyd's PCW cash fund, while Sedgwick has agreed to pay £10m.

The PCW 1985 Committee, which represented 450 of the 1,547 worst-hit members, had now been dissolved, said Mr Christopher Crosthwaite, its solicitor. But some of the 60 who have not settled on Lloyd's terms will probably meet in London next week to form a new action committee to consider legal proceedings against Lloyd's and the other potential defendants.

Mr Miller said the small number of US PCW Names who had not accepted the offer suggested it was unlikely that they would use the American courts. "I have no indication of any Name willing to pursue the matter in the English courts at this stage," he added.

Minet's share price closed up 8p at 373p last night, Sedgwick gained 3p to 304p.

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Kinnock speeds plan to extend franchise within Labour Party

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

PROPOSALS involving a major extension of the Labour Party franchise for the selection and reselection of parliamentary candidates are now expected to go before the party's annual conference at the end of September.

Before the general election, it was thought unlikely that any recommendations for constitutional changes along the lines of "one-member-one-vote" would be ready in time for this year's conference.

But the issue has been pushed hard by Mr Neil Kinnock, the party leader, who is annoyed at the damage inflicted on Labour's national standing by the activities of extremist factions within local party organisations. Priority is now given to ensuring that the selection process is dominated by moderate rank and file members.

The options for extending democracy within the party organisation are still under consideration by a working party. Local parties and affiliated organisations have until the end of July to make their views known to the leadership.

Mr John Evans, a member of Labour's national executive committee (NEC) and chairman of the working party, said after yesterday's NEC meeting that he was now "pretty confident" some form of constitutional amendment would go gefore the annual conference.

Mr Larry Whitty, the party's general secretary, said it was clear that some extension of the franchise to include all individual members would take place.

The original 11 options for democratising the selection process has now been reduced to two. The first, most favoured plan, envisages the introduction of a simple, one-member-one-vote rule change while the alternative would entail some form of electoral college system designed to maintain the balance between individuals, trades unions and other affiliated members.

A detailed formula for the electoral college approach has yet to be worked out, but it would be similar to the system employed for the election of the Labour leader, in which affiliated organisations account for a proportional share of votes cast.

Mr Whitty said he was confident that further discussions by the leadership would enable a single recommendation to be put before conference delegates. A special meeting of the NEC in early September might be necessary to finalise the proposals.

In the wake of the general election campaign, Labour's finances have suffered badly

TUC to quit scheme for young jobless

BY PHILIP BASSETT, LABOUR EDITOR

THE Trades Union Congress (TUC) yesterday decided to pull out of the Government's Job Training Scheme (JTS), its work experience and training programme for unemployed young people which was launched nationally two months ago.

The decision of the TUC General Council was immediately sharply attacked both by the Government and by the Manpower Services Commission. Both pledged that despite the TUC's move, the scheme would still carry on.

The TUC's move against JTS, which currently provides workplace experience and college training for about 10,000 jobless young people aged 18 to 25, may be a prelude to a complete withdrawal by the TUC from the MSC.

Unions such as the TGWU transport workers and Nalgo local government employees have been highly critical of the scheme's training content and at the allowances paid to trainees, which are in line with unemployment or social security benefits they previously received.

Mr Norman Fowler, Employment Secretary, said the decision was against the unemployed's interests. He stressed that the Government would press ahead with the scheme

Bank of England sues financial group for $11m

BY HUGO DIXON

THE Bank of England is suing Britannia Arrow, the investment management group, for $11.5m or more in an unprecedented move which puts the central bank in conflict with another important financial institution.

The dispute arises from the collapse of the Slater Walker Group, the investment house, in 1975 in the wake of the secondary banking crisis.

The Bank stepped in to rescue Slater Walker Limited (SWL), the group's banking subsidiary, eventually buying it from the group for £3.5m in 1977. Slater Walker Securities (SWS), the remainder of the group, changed its name to Britannia Arrow.

As part of its attempt to shore up the finances of SWS, the Bank at the time agreed that SWL would buy several assets from SWS, including a $10m bond issued by a firm called Cornwall Equities which SWS had in its portfolio.

SWS indemnified the Bank against any loss by guaranteeing the payments of principal and interest.

After several takeovers and mergers, Cornwall Equities filed for bankruptcy in 1982 under Chapter 11 of the US bankruptcy laws. This, it is suggested, activated the indemnity agreement.

Britannia has not paid SWL any of the interest that has accrued since then, arguing that there were legal uncertainties. However, the Bank said Britannia had recently denied liability, prompting it to begin proceedings.

The figure of $11.5m or more includes accrued interest since 1982. The action is not expected to be heard until next year.

The only recent comparison with this suit are the proceedings begun in 1985 by the Bank against Arthur Young, the accountant, following the collapse of Johnson Matthey Bankers.

Call for Britain to exploit cultural gain

BY ROBERT MAUTHNER

THE VIEW that Britain's great cultural success diminishes the need for government support was vigorously criticised yesterday by Sir John Burgh, the outgoing Director-General of the Britisch Council.

In a valedictory lecture given shortly before his retirement, Sir John said: "It would be a tragedy if, through inertia or complacency, we eroded British cultural influence as we watched the erosion of our motor cycle industry, our shipbuilding industry and so many scientific and technical innovations which originated here but were exploited elsewhere".

It should be national policy to secure the utmost benefit from the country's cultural good fortune to use it to improve Britain's reputation abroad and to support its commercial effort, he said.

Sir John referred to the view of the British Invisible Exports Council and its chairman, Lord Limerick, who told the House of Commons Select Committee on Foreign Affairs that the British Council was a net contributer to the balance of payments.

This was achieved through its background work and through the earnings it generated from abroad by its sponsored activities.

Yet, at the same time, the council's independence was being eroded because of public expenditure restraint and financial pressure from the state.

The council depended on its grant-in-aid from the Government for virtually all its activities in the developed world; all the eastern European countries; all the arts; the Council's scholarships; its books and information work; and its efforts on those countries which are potential markets for British goods.

As the grant had shrunk from £94m in 1978/1979 to £74m at this year's cash prices, so, inevitably the focus had moved away from those areas which were of political and commercial importance to Britain.

Shorter hours deal 'best defence for engineering'

BY JOHN GAPPER, LABOUR STAFF

AN AGREEMENT with employers on flexible working practices offered the best defence against continuing decline in the British engineering industry and further redundancies, Mr Bill Jordan, president of the Amalgamated Engineering Union, said yesterday.

Mr Jordan called for engineering unions to reach a deal trading off cuts in working hours for increased flexibility. He was speaking at a meeting of the Confederation of Shipbuilding and Engineering Unions.

He said unions had no alternative but to make such an agreement covering up to 2m engineering employees because "there is no Labour Government lifeboat on its way, and we are on our own in radically changing times."

Mr Jordan, chairman of the confederation's engineering committee and a leader of negotiations with the Engineering Employers' Federation, which have been in progress since 1984, said a draft agreement was close and the only substantial obstacle remaining was disagreement over the timing of working-hours cuts.

He said individual companies were already making deals on increased flexibility without the compensation of reductions in hours. The proposed deal would "end the historic discrimination of blue-collar workers within the industry."

Renewed opposition to the anticipated provisions of a draft agreement, which the confederation expects the employers' federation to present at the end of next month, was expressed by leaders of the manufacturing union Tass. They argued that it would be inferior to one reached between West German engineering employers and the IG Metall metalworkers' union.

Mrs Barbara Switzer, Tass deputy general secretary, said the price the confederation's affiliated unions were being asked to pay for cuts in hours from 39 to 37½ a week was too high and an agreement would not protect jobs because the employers intended it to be self-financing.

The GMB general worker's union also raised doubts about the advantages of an agreement, supporting a Tass metal mechanics section motion that a shorter working week should not be accepted "at the expense of hard-won conditions and practices long established."

Tass, the GMB and the TGWU transport workers' union led confederation members who opposed continuing negotiations on the proposed deal in February because they feared it would open the way for employers to withdraw recognition from unions representing a minority of workers.

Mr Jordan responded to Mrs Switzer's criticism by accusing Tass of "lying" about the confederation in a document which he claimed had said that secret negotiations were being conducted with the employers' federation.

He said that after the February meeting the confederation's negotiating committee had pressed the federation on the issues about which the dissenting unions were unhappy and had managed to gain concessions on two of them.

A much tougher clause against diminishing of any union's existing recognition rights would be included in any agreement and an employers' proposal that staff might have to accept a variable working hours had been withdrawn.

Mr Jordan told the confederation's annual meeting in Llandudno, North Wales, that the only remaining disagreement considered to be a significant difficulty was the federation's proposal that working-hours cuts should be inplemented in three-yearly stages timed to coincide with each of its 5,000-member companies' annual pay rounds.

The confederation was continuing to insist that the implementation should be in two yearly stages unified throughout the industry, rather than accepting the practice of separate domestic pay settlement dates for each company.

The meeting accepted Mr Jordan's report to the confederation, but also passed the Tass motion calling for no sacrifices in working conditions and practices.

It also passed a separate resolution calling for a "substantial" increase in basic rates in the engineering industry to 80 per cent of the skilled workers rate, an increase in overtime rates from time-and-a-third to time-and-a-half and a new premium for continuous shift working.

Controls on sale of alcohol to be eased

By Lisa Wood

LICENSING LAWS in England and Wales which govern the hours that alcoholic drinks may be offered for sale are to be reformed.

Mr Douglas Hurd, Home Secretary, gave a pledge yesterday that public houses would be allowed to remain open for 12 hours a day, Monday to Saturday, between 11am to 11pm. Sunday hours would remain unchanged.

His remarks foreshadowed today's Queen's Speech to Parliament which will outline the Government's forthcoming legislative programme.

Licensing laws governing the sale of alcohol were introduced in Britain during the First World War. They were designed to restrict the time that munitions workers had available for drinking alcohol. Scotland reformed its licensing laws about 10 years ago and the change was widely applauded.

The restrictions on the sale of drink have appeared to overseas visitors to Britain as archaic and out of step with modern-day needs.

Mr Hurd said: "While it would not be sensible to replace the present law with a free for all, the time has clearly come for the law to be brought up to date and reformed."

If nuisance was caused to those living near licensed premises the licensing justices would be empowered to reduce the opening time.

Mr Hurd said the Government had looked at the Scottish experience. A study by the Office of Census and Population Studies showed the introduction of more flexible hours in 1977 in Scotland showed that the changes had little impact on problem drinking, and that drinking habits had become more relaxed.

Mr Hurd added: "The Government is well aware of the need to remain alert and sensitive to the effects of the abuse of alcohol on health and its connection with crime."

With an obvious eye to possible critics of more relaxed drinking hours Mr Hurd said the Government would be looking to see whether it needed to do more to encourage responsible drinking habits.

Consumers turn to fast foods

BY CHRISTOPHER PARKES, CONSUMER INDUSTRY EDITOR

BRITISH CONSUMERS are prepared to pay a handsome price for food which can be eaten straight from the pack or microwave oven.

They are increasingly fond of eating in a restaurarant rather than at home, and their sedentary habits are having a significant effect on how much they spend on food and the type of food they buy.

The Government's latest household spending survey suggests that people will turn away from seasonal food – even though prices may fall in real terms – and plump instead for convenience meals.

Average spending on convenience foods rose almost 8 per cent in 1985, despite inflated prices. Prices of seasonal foods fell more than 1 per cent, but expenditure also dropped, says the annual report of the National Food Survey Committee.

The cost of convenience products - the official definition of pork pies and canned soup with more fashionable ready-made meals – increased more than 6 per cent, although the "real value" was only 1 per cent higher.

Prices of all foods rose 3.8 per cent in the year under review, and spending on all food went up 4 per cent.

Spending on convenience foods rose about 50 per cent between 1980 and 1985, compared with a 27 per cent increase for household food in general, the report says.

UK NEWS

Prince Charles backs opera house scheme

BY PAUL CHEESERIGHT, PROPERTY CORRESPONDENT

PRINCE CHARLES has been drawn into the controversy over the modernisation and extension of London's Royal Opera House, Covent Garden. The Prince, who has gathered a reputation for his activities in inner city revival and as an architectural critic, has said he believes it is important that the development should go ahead.

A statement from the Royal Opera House yesterday said: The Prince felt that the development would safeguard the future of the Royal Opera House and "ensure that it is in the best possible position to increase the popularisation of opera for future generations".

Prince Charles: Safeguard for Royal Opera House

The development is contested by local groups active in the district of the Royal Opera House. Westminster City Council's planning committee will decide next week on the application for planning consent to go ahead.

The intervention of Prince Charles has, therefore, come at a sensitive time. It appears to be part of a propaganda battle between the Royal Opera House and the Covent Garden Community Association, which has its own ideas of a suitable modernisation programme, in advance fo the planning committee meeting.

The project involves changes not only to the opera house itself but also an offices and retail scheme to defray £33m of the £56m cost. The Covent Garden Community Association has produced an alternative scheme.

The Association yesterday regarded the intervention of Prince Charles more in sorrow than in anger. "He is in a very difficult position", a spokesman said.

Members of the Royal Family are not normally involved in planning controversies, although Prince Charles's classification of designs for an extension of the National Gallery in 1984 as "a monstrous carbuncle" was at least partly responsible for having that scheme scrapped.

On this occasion, it appears to be the Royal Opera House that has brought the Prince into the planning dispute. Its statement follows a private meeting last Friday between Prince Charles as Patron of the Royal Opera House and Royal Opera House officials to discuss the development project.

"What he wants is for planning permission to be given," said a Royal Opera House spokesman. Buckingham Palace knew very little about the statement. A spokesman said the Royal Opera House was handling the whole matter.

Motorola cellular expansion boosts jobs

By David Thomas

MOTOROLA, the US electronics group, is planning a steady increase in its UK cellular telephone operations which could mean a doubling of the workforce over the next four years.

At present, Motorola, the main equipment supplier to the Cellnet cellular network, employs about 500 people on cellular work in the UK.

About half of these make cellular sets at Motorola's factory in Stotfold, Bedfordshire. The other half are involved in service activities, such as distribution, installation and maintenance.

Mr Don Burns, managing director of Motorola's communications division in the UK, said the company was planning a steady expansion which could increase employment in its UK cellular operations to about 1,000 over the next four years.

Part of this expansion would come from producing more equipment for export.

Motorola already exports to China and has orders from Japan and Scandinavia.

However, Mr Burns added that probably no more than 100 new jobs would be created in manufacturing, because Stotfold's operations were becoming more automated.

Most new jobs would come from service activities because of the increase in demand for cellular telephones in Britain, he said.

Customers were joining the Cellnet network at more than 1,400 a week, thanks to a marketing drive launched by Cellnet in May, according to Mr Colin Davis, Cellnet managing director.

Mr Davis predicted that Cellnet would soon have more subscribers than Racal Vodafone, the rival cellular network. At present, Vodafone has slightly more subscribers than Cellnet.

Staff of News on Sunday are dismissed

By Raymond Snoddy

ALL THE staff of the News on Sunday newspaper which was launched earlier this year, were yesterday given dismissal notices by the receiver called in last week.

The process has begun of selecting between 70 and 80 out of the total staff of 183 to be re-employed by Growfar, the company set up by Lancashire businessman Mr Owen Oyston to continue publication.

Little work has yet been done on this Sunday's edition and unless staffing decisions are taken quickly there is a danger the paper will not be printed. Failure to publish would be a serious blow to hopes to make the loss-making paper viable in the long run.

Last week's circulation was about 200,000, implying that circulation is stable.

The plan is to continue publishing the paper with a licence from the receiver allowing use of the News on Sunday's assets.

Revived gilts market exhausts tapstock

BY JANET BUSH

STERLING'S RECOVERY this week coupled with attractive yields on UK Government bonds after the sharp fall in the market since the general election finally combined to exhaust the current tapstock yesterday.

The £1bn issue of 8 per cent Treasury stock 2002/06 "A" was issued on May 14, and the bulk of it had remained on the Bank of England's books until this week when the authorities decided to slash the price.

Before the election, the stock had been priced at 30%. On Tuesday, the tap had been reactivated after a long pause at a price of 26$^{15}/_{16}$ and it was exhausted yesterday at the higher price of 27$^{5}/_{16}$.

The decision to cut the price on Tuesday was meant as a signal that prices had fallen far enough, and the Bank appears to have had some success in setting a floor for the market.

Probably about half of the total issue was sold yesterday and on Tuesday. Several market makers yesterday appeared rather baffled as they were seeing very little retail demand either from domestic institutions or overseas investors.

However, other primary dealers reported modest but widespread demand as investors started to respond to yields well above 9 per cent after the market's sharp decline since the election.

The gilts market has been closely shadowing movements in sterling since the election. Last week, prices were pushed sharply lower as sterling looked vulnerable on foreign exchanges.

However, after a bad day for the pound and gilts on Monday, a reversal in the dollar's rising trend has helped both markets to recover their losses.

Another factor helping gilts has been the pronounced weakness on the Japanese and West German bond markets.

UK NEWS

Scientists to identify homes facing high radiation exposure

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITISH GOVERNMENT scientists are to identify all UK dwellings whose occupants are exposed to high levels of natural radioactivity, and make proposals for remedial action.

The homes, mostly in south-west England, are believed to number at least 2,000, or about 3,000 when those in Scotland and the north of England are included. A survey suggests that as many as 20,000 homes in all may be exposed to above average radiation levels.

Some homes are exposing their occupants to higher levels of radioactivity than is permitted for workers in the nuclear industry. Cases have already been found of homes with eight times as much radiation as would be permitted for workers in a proposed new nuclear waste repository.

The investigation is being made for the Environment Department, by the National Radiological Protection Board, the Government's watchdog agency for public exposure to radiation.

The board's scientists have already given a warning to the Government of the dangers part of the population – in particular Devon and Cornwall in the west of England – is running from the radioactive gas radon, which seeps from the ground. It arises from the relatively high concentrations of uranium in the underlying rocks.

About 2000 homes are believed to expose occupants to 50 millisieverts or more a year – the limit permitted for "radiation workers", in the nuclear industry. The Government has been advised to set an "action level" of 20 millisieverts of radiation exposure as the limit for existing dwellings, and to aim at a limit of 5 millisieverts a year for new homes.

The Environment Department's building research establishment has begun a research programme into ways of reducing exposure. In the case of existing homes, it is developing methods of sealing floors and foundations to reduce seepage of radon. In more serious cases, this may also include methods of underfloor ventilation to draw the radioactivity away from the house.

Another experiment about to begin involves filling a deep laboratory pit with soil from a high-radon area, and construction of new designs for foundations and floors upon this radioactive soil. The aim is to find new ways in which architects can offer radon-proof designs.

A spokeman for the Building Research Establishment said it could already guarantee quite appreciable reductions in radon, but its target was to find ways of doing so at minimal cost.

Retailers interest rates 'close to extortion'

By Christopher Parkes

INTEREST RATES charged by some British retailers on their in-store credit cards are "bordering on the extortionate," Mr Michael Montague, chairman of the National Consumer Council, said in London yesterday.

Annual rates on certain cards were more than 30 per cent he said in a speech on the recent reference of the credit-card market to the Monopolies and Mergers Commission.

Even though banks had complained that store cards had been excluded from the investigation, Mr Montague said this was not the case. Sir Gordon Borrie, director general of the Office of Fair Trading, had said all credit cards were to be reviewed.

Mr Montague, chairman of the Valor industrial group, said the council would ask the Monopolies Commission to consider whether interest rates were punitive.

It would also want a review of competition in the credit market – what the consumers' credit access was and the extent to which lending put the borrower at risk.

Stronger safeguards were needed to prevent fraudulent use of a lost card.

BAe's quiet approach to sales success

Michael Donne looks at how Britain's leading aircraft manufacturer aims to stay competitive by cutting costs in a crowded marketplace

WHILE acknowledging its success in winning the commitment from TNT Group of Australia for up to 72 of its Type 146 four-engined regional jet airliners over the next five years, British Aerospace (BAe) has become increasingly concerned at the need to reduce its production costs and selling prices to meet increasing competition in world markets for aircraft of this 100-seater size.

Detailed prices are not revealed for commercial reasons, but at around $20m per aircraft, the 146 is considered as competitive as BAe can currently make it.

However, competition to the 146 is formidable and growing. It includes the recently-developed Dutch Fokker 100 twin-engined 100-seater and the small McDonnell Douglas MD-87. The latter is manufactured on a large production line with other versions of the MD-80 series of aircraft, which enables McDonnell Douglas to keep its prices down.

Boeing is an even more formidable competitor, having recently launched its own 100-plus-seater version of the highly successful 737 twin-engined short-range jet airliner. The 737 is already the world's best-selling aircraft, with total sales of 1,842. Production is currently running at 14 aircraft a month and may well be increased soon.

Such extensive production has enabled Boeing to reduce both its overheads and the development cost of new models and thus cut its selling price to airlines.

Against such competition, BAe knows not only that it must keep the selling price of the 146 down, but also that the aircraft's operational benefits to airlines must be exceptional.

BAe is fortunate in that the 146 has several such advantages, the most valuable of which is its low-noise level. The 146 is judged by airlines as the quietest jet airliner in the world.

It is the only jet permitted to operate into some airports on the US west coast, such as Orange County, California, where noise rules, because of local residential hostility, are severe. This enables jet commuter services to be flown with the 146 where no other jet could operate.

It was in the US that the aircraft's unique low-noise levels were first appreciated and from where the first big orders came, such as from Air Wisconsin, Pacific South-West and Presidential Airways. To date, six US operators between them have ordered no less than 66 of the 91 146s firmly sold prior to the TNT deal and many of those US customers have options on additional aircraft.

In addition, however, the 146 with its high wing has a short runway performance and an ability to land and take off from rough and unprepared strips, which makes it more adaptable for use in difficult terrain than other small jet airliners.

This is why some other operators have bought it, in spite of fierce competition, notably Aspen Airways of Colorado, a small regional airline which has bought three, and the Civil Aviation Administration of China, which has bought ten for use in remote regions where airfields are often rudimentary.

BAe itself is exploiting these capabilities to the full in its marketing and is pursuing orders in developing countries of South-East Asia and the Far East in particular, but also in Africa and Central and South America.

The TNT order will be invaluable to BAe in helping to promote further sales world-wide, for it is an endorsement of all these capabilities

But because many of the potential sales are likely to be in the developing world it is all the more important for BAe to keep its prices down, because most potential customers are not rich airlines, but small regional or commuter carriers, or struggling airlines in undeveloped areas.

Money is scarce, and a few hundred thousand dollars off the price can make all the difference between winning or losing an order.

This is primarily why BAe is conducting its current campaign to cut production costs by as much as one third by 1992.

The campaign is being waged not only in BAe's own factories, but also through BAe's many suppliers at home and overseas, including the US. More than 40 per cent of the aircraft, including the wings, engines and some of the avionics and other systems, come from the US.

BAe has the disadvantage that, so far, it has not been able to achieve the big production runs and economies of scale that its rivals, Boeing and McDonnell Douglas, can achieve, and thus keep their costs and prices down.

BAe had already decided to set up a second production line at Woodford, Manchester, doubling output to 40 aircraft a year, but the TNT order would probably have forced such a decision, anyway.

The TNT deal and the prospect of additional orders as a result from other airlines will enable BAe to put pressure on its suppliers to cut their own prices, although there is bound to be resistance.

In its own factories, where BAe has total control, it can be as tough as it likes with managers and unions over such matters as working practices, overtime pay and conditions of service, all of which influence production costs.

There may be some fierce bargaining, but the critical factor must be whether BAe can get its costs down sufficiently to enable it to go on selling in an increasingly competitive market.

It is only by cutting costs, trimming selling prices and winning more orders that BAe can sustain jobs in its civil aircraft factories – and 10,000 are employed on the 146 alone inside BAe, with another 10,000 employed indirectly in the supplier companies.

Although the current publicity has focused on the 146, the cost-cutting campaign is aimed at all BAe civil programmes: the Jetstream 31, the Advanced Turbo-prop and the 125 Executive jet, as well as the 146.

As part of its promotion campaign, BAe is also offering the 146 in several versions: the Series 100 and 200 standard models, the Quiet Trader, a variant of the Series 200 and now also the larger Series 300 which, although intended to be a more spacious 100-seater than the earlier models, will also be capable of seating up to about 120.

There are also ideas for promoting the aircraft in a wide range of military versions, for troop transport, medical evacuation, maritime patrol and surveillance and as an aerial refuelling tanker. BAe cannot afford to ignore the potentialities of the military market, which can often add hundreds of aircraft to an otherwise primarily civilian order book.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1986							
1st qtr.	109.1	102.6	105	119.3	146.0	3,171	166.5
2nd qtr.	109.3	103.6	105	121.3	154.0	3,203	175.6
3rd qtr.	111.0	105.0	106	122.7	158.7	3,202	200.2
4th qtr.	110.8	107.3	111	126.5	194.3	3,141	213.0
October	110.9	106.7	108	125.0	166.5	3,160	212.8
November	111.2	107.4	110	127.8	183.9	3,145	215.2
December	110.4	107.7	114	126.7	224.9	3,119	210.0
1987							
1st qtr.	112.1	107.0		125.4	157.0	3,073	219.4
January	111.1	105.6	114	123.6	158.4	3,114	210.3
February	112.9	107.9	106	127.0	154.5	3,068	207.1
March	112.3	107.5		125.5	157.8	3,049	210.6
April	112.6	108.1		130.0	169.0	3,018	212.9
May				125.7		2,954	231.2

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Cnsmer. goods	Invest. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1985							
4th qtr.	103.9	102.3	113.5	103.3	112.6	103.4	15.6
1986							
1st qtr.	103.2	101.5	115.4	101.5	110.4	102.8	14.2
2nd qtr.	104.7	100.6	115.4	102.1	116.1	103.5	19.8
3rd qtr.	106.5	101.4	117.4	103.4	107.8	102.3	18.9
4th qtr.	108.1	102.8	115.9	105.3	115.7	103.9	15.3
September	106.7	102.1	116.8	104.0	108.0	102.0	19.4
October	107.0	102.7	116.6	105.0	112.0	104.0	19.3
November	109.5	102.5	116.2	105.0	117.0	106.0	15.9
December	108.1	103.2	114.8	106.0	118.0	102.0	10.7
1987							
1st qtr.	106.4	103.7	118.6	105.5	116.0	102.8	17.3
January	106.0	103.0	117.2	105.0	107.0	103.0	12.7
February	106.9	103.7	119.8	106.0	124.0	103.0	18.6
March	106.2	104.3	118.8	106.0	116.0	103.0	20.6
April	107.1	104.9	118.8	107.0	117.0	104.0	20.5

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); official reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Reserve US$bn*
1986							
1st qtr.	117.5	124.9	−1,227	+682	+1,309	101.0	18.75
2nd qtr.	121.9	128.8	−1,551	− 94	+772	102.6	19.29
3rd qtr.	122.6	133.5	−2,873	−931	+646	103.1	20.14
4th qtr.	130.5	143.4	−2,682	−756	+846	100.8	21.97
September	126.2	129.3	−831	−184	+258	102.3	22.42
October	127.0	139.6	−715	−190	+228	101.5	21.99
November	132.8	146.7	−1,000	−284	+354	100.9	22.01
December	131.6	143.9	−887	−272	+286	100.1	21.92
1987							
1st qtr.	131.6	133.2	−1,125	+665	+1,164	100.5	23.75
January	124.6	131.4	−517	+ 82	+363	100.2	21.95
February	138.4	138.0	−202	+398	+328	100.4	22.26
March	126.9	130.2	−417	+182	+454	100.8	27.04
April	130.8	137.1	−504	− 96	+419	102.4	29.81
May							34.68

FINANCIAL—Money supply M0, M1 and M3 (three months' growth at annual rate), bank sterling lending to private sector; building societies' net inflow; HP†, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank lending £m	BS inflow £m	HP lending† £m	Base rate %
1986							
1st qtr.	4.1	21.4	19.3	+6,202	2,229	7,375	11.50
2nd qtr.	3.1	25.9	27.3	+6,455	1,423	7,739	10.00
3rd qtr.	5.0	20.3	15.4	+6,996	168	8,223	10.00
4th qtr.	7.6	15.3	14.1	+10,531	2,814	8,178	11.00
September	9.6	34.3	17.8	+896	−671	2,870	10.00
October	6.2	19.1	14.5	+3,488	1,951	2,759	11.00
November	6.4	28.4	10.0	+3,847	160	2,635	11.00
December	10.1	0.6	9.1	+3,196	703	2,784	11.00
1987							
1st qtr.	1.2	20.6	20.1	+6,567	1,475	8,881	10.00
January	7.7	18.0	12.5	+1,699	456	2,695	11.00
February	0.1	10.8	17.8	+2,878	472	2,948	11.00
March	−3.8	33.7	29.4	+1,990	547	3,238	10.00
April	5.8	20.9	23.1	+1,522	727	3,000	9.50
May					521		9.00

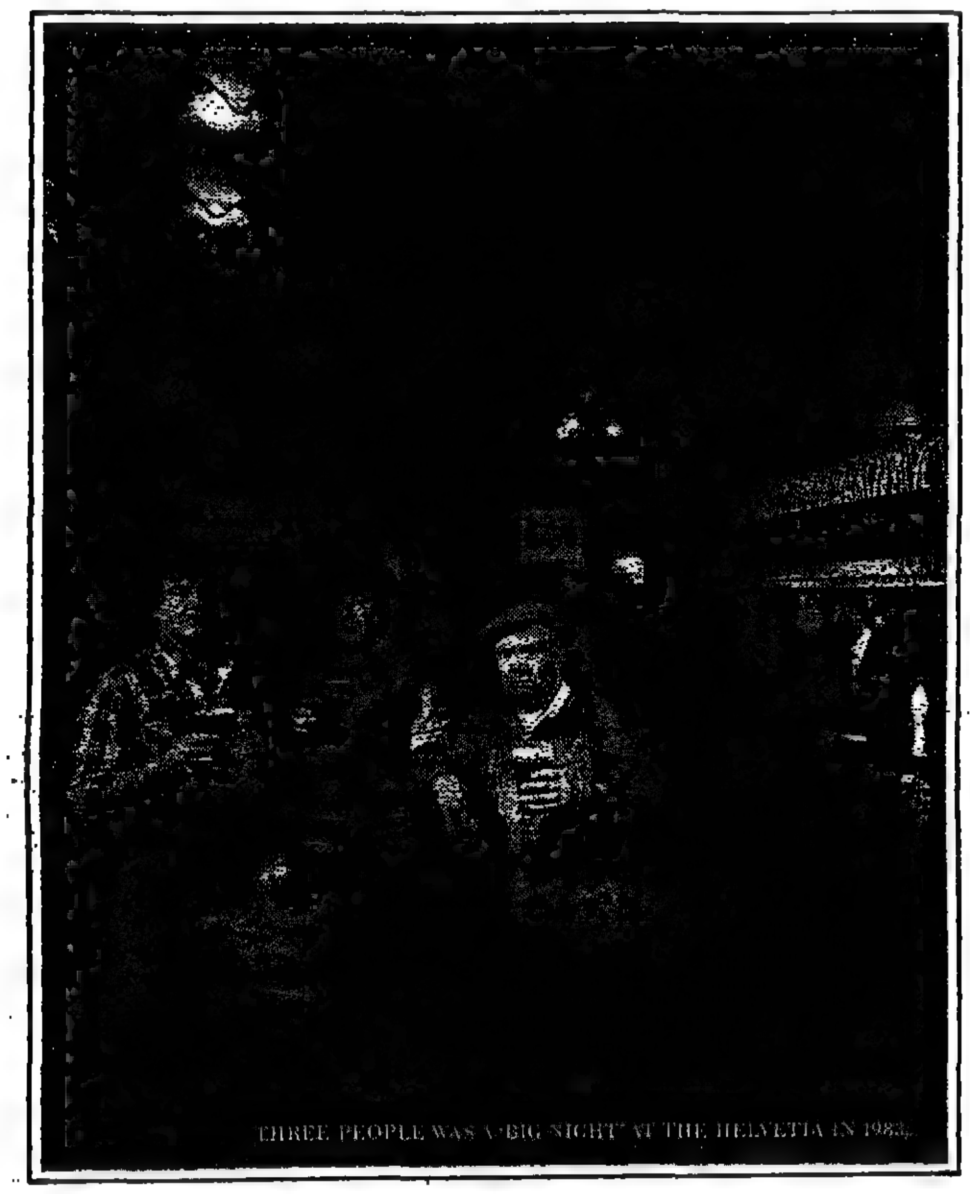
INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (Jan 1987=100); Reuters commodity index (Sept 1931=100); trade weighted value of sterling (1975=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	Reuters* cmdty.	Sterling
1986							
1st qtr.	179.1	132.4	143.4	96.5	96.9	1,825	75.1
2nd qtr.	184.0	125.8	145.7	97.8	98.7	1,714	76.1
3rd qtr.	187.4	129.8	146.3	97.9	98.3	1,464	71.9
4th qtr.	191.0	127.4	147.4	99.1	98.3	1,698	68.2
September	186.8	122.4	146.7	98.3	98.3	1,597	70.4
October	188.3	124.3	147.0	98.5	98.1	1,678	67.5
November	191.2	127.5	147.4	99.3	98.1	1,612	68.5
December	193.4	130.4	147.9	99.6	98.8	1,638	68.4
1987							
1st qtr	192.1	130.0	149.3	100.3	100.5	1,590	69.9
January	190.4	131.9	148.8	100.0	100.0	1,603	68.3
February	191.2	129.6	149.3	100.4	100.7	1,601	69.0
March	194.6	128.4	149.7	100.6	100.7	1,529	71.9
April		128.7	150.5	101.8	101.6	1,554	72.4
May		128.5	151.0	101.9	102.2	1,612	73.3

* Not seasonally adjusted.
† From January 1986 includes amounts outstanding on credit cards.

SOME OF OUR PUBS HAVE BECOME A LOT MORE SUCCESSFUL SINCE WE ADDED GROUND COFFEE, BROCCOLI AND GRUYÈRE TO THE BEER.

It's certainly been a recipe for success in Soho. In 1983, The Helvetia in Old Compton Street, was one of those pubs where three pints of bitter and a packet of cheese and onion crisps was a big order. Today on the same site, expensively padded shoulders jostle with each other at the bar, for another couple of champagne cocktails before dinner.



THREE PEOPLE WAS A 'BIG NIGHT' AT THE HELVETIA IN 1983.

In three years the Soho Brasserie has paid back every penny we invested in it and established itself as what one magazine described as, 'the Rovers Return of the media set'. And it's a perfect example of the way we've been looking at our 6900 pubs. Not of course that we intend to put brasseries on every street corner.

The Soho Brasserie is just one result of our policy of researching what's missing in an area, then building it. In Watford, we discovered what would get people out for the night was a night spot. So we converted a large roadhouse pub into The Gamebird. It's now a thriving, jiving success, turning over £750,000 a year.

And in Bolton, we found what they were crying out for was a really traditional pub. The Howcroft is now packed every night and has anything but traditional profits. In the last few years we've spent £270 million on our pubs. And in some places we noticed the last thing people wanted was another pub. So we've turned them into café-bars, restaurants or wine bars. And giving people what they want really pays off.

NOW IT'S THE SOHO BRASSERIE AND REGULARLY ATTRACTS 250 PEOPLE A NIGHT.

Our profits have never been higher. The success of places like the Soho Brasserie is all part of our commitment to our role as a leading international food, drink and leisure group. Which is of course, of little consolation to our competitors.

So we offer them this advice. To achieve our success, start by discovering what's missing from your beer.

Allied-Lyons

MANAGEMENT: Marketing and Advertising

THE JAPANESE often answer foreign critics who claim that their country is beset with trade barriers and a market notoriously difficult to penetrate by saying that it is in fact one of the most open in the world. There are few physical restrictions to imports and average tariff rates are lower than those of either the US or the EC.

It is a reply that both infuriates and bewilders the exporter who *knows* how difficult it is in practice to sell into Japan, and yet it also contains a heavy dose of truth. One of the things that makes Japanese trade practices so difficult for the outside world to cope with is that its so-called barriers to trade are in fact intangible—a matter of culture and social practice as much as economics.

Some companies have, however, managed to penetrate the Japanese culture rather successfully. One of them is Dunhill Holdings, the UK tobacco to fashion concern, which has been exporting to Japan for more than 20 years. According to Anthony Greener, the chief executive, Japanese consumers last year bought roughly a third of the £525m worth of products carrying the Dunhill group brand names which were sold around the world.

Of course, Dunhill's position in the luxury consumer goods market gives it a natural advantage in an affluent country whose consumers are looking for expensive high-status goods. Yet Greener believes that his basic principles of doing business in Japan apply to others just as well.

Part of the range of Dunhill products which have found favour in Japan

Breaching a cultural barrier

Peter Montagnon explains how Japan came to be Dunhill's most successful export market

There are four main points to remember, he says. Some of them, like the need for a long-term view and to have a local presence so that the exporter can understand the market, are fairly obvious. The other two are not so readily understood. They are, first, that good distribution is essential, and second that in Japan quality counts for everything, certainly much more than basic price.

"The Japanese have an extremely highly developed sense of quality. You've simply got to meet their quality aspirations, or you're not going to do business," he says. Moreover, quality means not just that the product itself is right; "it's also about quality of distribution, presentation, packaging and promotion."

Deviation from this principle in any area causes doubts in the Japanese mind and can put the customer off the product itself, he says.

At one stage Dunhill started buying shirts manufactured in Hong Kong. These were not intended for distribution in Japan, only in other parts of the world; yet still their Japanese buyers objected. They complained that the practice was likely to undermine the company's image as a purveyor of quality European merchandise and, although there was nothing wrong with its Hong Kong shirts, Dunhill reverted to manufacturing in Europe.

About 10 years ago, Greener adds, Dunhill made the basic decision that "the mechanics of Japanese distribution are something that only the Japanese really understand." Now Dunhill products are sold in Japan through a subsidiary of the C. Itoh trading house (which is also responsible for the manufacture under licence of the few Dunhill products which are made locally for the Japanese market).

C. Itoh, which had always had connections with Dunhill's local distributor, was chosen "because of its clout," but even its role and that of Dunhill's local office are carefully delineated. The C. Itoh unit is responsible for importing and physically distributing Dunhill products as well as negotiations with stores, while Dunhill's own office handles business development, liaison with the UK head office and marketing, including control of advertising.

It is a combination which seems to work, not least because Dunhill has avoided the mistake of assuming that the focus of the relationship between the two sides should be concentrated at the top. Instead it is handled in a tiered way with contact at every level through the two organisations.

At the lower levels, more than at the top, language is important. Greener speaks no Japanese himself, but lower level executives in the Dunhill organisation, who need to have direct contact with their Japanese counterparts, do.

Dunhill's success in Japan was partly a matter of luck. In the 1970s its lighters became a status symbol that set its brand name firmly on the map. Now, with the arrival of a younger generation of affluent consumers the market is changing with less emphasis on prestige goods for their own sake, but still, Greener says, an unremitting demand for quality and design.

The lesson for would-be exporters is a hard one. Japan cannot be treated like other markets and left to occasional visits by an export manager. A physical presence in the country, eye for detail and quality and the right distribution strategy are all of paramount importance.

It may be that for many companies the effort and cost involved are too much to make the return worthwhile, but although Greener is too polite to say so directly, failure to rise to the challenge should not necessarily be excused by saying the market is closed. "Japan is different. I don't call that a non-tariff barrier; it's just different. You can't expect just to go there and take a Western approach."

Soft drinks are given an even harder sell

THIS WEEK, Cadbury Schweppes, the UK soft drinks and confectionery group, is launching a £7m advertising campaign for its soft drinks range. This move signals a further intensification of competition in the £2.5bn UK soft drinks market. Last year the company's soft drinks division spent £1.5m on promoting its soft drinks in the media.

This increase is partly a result of the formation early last year of a joint bottling and distribution company in the UK with Coca-Cola called Coca-Cola & Schweppes Beverages (CCSB).

Coca-Cola, the world largest soft drinks company, will itself this year spend about £25m in the UK on advertising its Coca-Cola, Diet Cola and Cherry Cola brands, an increase of about 50 per cent on last year.

Pepsi-Cola is the major competitor in the UK cola market to Coca-Cola. Until last year Pepsi-Cola was manufactured under a franchise agreement by Cadbury Schweppes. But in 1986, after the deal with Cadbury Schweppes ended, Pepsi-Cola took a 10 per cent stake in Britvic Corona, the other major UK soft drinks company which now bottles Pepsi.

Britvic Corona intends this year to spend £30m on advertising and below the line support. Pepsi will account for £9m

Britvic Corona was itself set up last year when the UK-based Beecham Group sold most of its soft drinks interests to Britvic. Apart from Pepsi's stake, Britvic-Corona, is now jointly owned by leading brewers Bass, Whitbread and Allied Lyons.

The result of this major reorganisation of the drinks industry has been the emergence last year of two powerful groups, Coca-Cola & Schweppes Beverages and Britvic Corona, each controlling about a quarter of the British soft drinks market. The rest of the industry is made up of about 150 much smaller companies, many struggling to survive in the highly competitive and unbranded supermarket own-label volume business.

The strategy of both the two major groups has been to rationalise their bottling and distribution businesses and to promote their branded products. Both companies loudly proclaim that their intention is not to scramble for market share by vigorously discounting prices but rather to expand the total UK soft drinks market where per capita consumption lags well behind that in the US and many other European countries.

In the CCSB grouping some 20 depots have been closed, two sales forces merged, two delivery fleets merged and one factory closed. Both Cadbury Schweppes and Coca-Cola, however, maintain responsibility for promoting their respective brands.

Mervyn Blakeney, managing director of Schweppes International, which includes Schweppes Great Britain, says: "The restructuring has had the effect of making more intesive use of manufacturing assets and an improvement in profit margins. Some of that margin we want to reinvest in both improving the perception of our brands as well as driving for share in the total market."

The new advertising campaign concentrates on giving a more youthful appeal to Schweppes's classic mixer drink, tonic, and catching the attention of the 10-15 age group.

In the latter area Schweppes has re-packaged and modified the recipe of its fruit-based carbonates which are sold under the Sch brand and compete with Britvic Corona's Tango brand. Here, a £3.5m campaign has just been launched, the first major support for eight years.

In addition to increased promotion, Cadbury Schweppes is also looking to increase the number of outlets where its products are consumed by making more drinks available from vending machines. This strategy has been arrived at thanks to the experience of Coca-Cola which has pointed out the poor availability in the past of soft drinks in the UK.

"Coca-Cola has brought to us their worldwide experience in distribution," says Blakeney. "We have brought to them our national organisation in the UK."

Lisa Wood

Sofa so good for M and S

By Christopher Parkes

MARKS AND SPENCER, the UK clothing store which took on the multiple grocers and showed them a trick or two, is showing signs of repeating the performance in the furniture trade.

From a standing start a year ago, it now has 35 furniture outlets. According to the market research specialist Verdict, its sales per square foot of some £380 are "unparalleled in the specialist furniture sector."

A new study of furniture and carpet retailing says the rapid growth, which includes free-standing stores as well as furniture departments in larger M and S outlets, shows that the company is confident it can develop a significant new speciality.

Verdict also suggests that the business could grow even faster if manufacturers could step up output. M and S tries to avoid the delivery delays which plague the furniture trade, and is pacing openings to keep in step with expansion at its main suppliers, Christie Tyler and Peter Black.

However, M and S is still a long way behind the market leaders. The report says that Harris Queensway and MFI/Allied now share the top position with 18.8 per cent of the market each.

The private Gillow group is a distant third with 3.5 per cent.

Harris Queensway now seems set to overtake MFI/Allied, after catching up rapidly in the past three years. It bought Times from GUS last year, and is currently launching two new chains: Mad Max, a discount carpet operation, and Right Price, which sells furniture.

MFI is also developing its business from its traditional base, and has taken on the department stores with the launch of pilot stores under the Ashton Dean fascia.

These sell up-market branded furniture in out-of-town stores. B&Q, the Woolworth Holdings do-it-yourself subsidiary, is launching a similar venture based on its Homecentres.

Allied, MFI's sister company, has dropped the word "carpets" from its name to reflect the widening of its range into furniture and furnishings, and increased its selling space by 69 per cent last year.

However, despite all this activity, the home furnishing market has still to enjoy fully the benefits of the consumer spending boom which have brought so much joy to other consumer durable retailers in the past two years.

Total sales for the sector rose just 6 per cent last year to £4.6bn, Verdict estimates. Although self-assembly furniture sales have grown by 32 per cent since 1980, the traditional market has expanded by only 8 per cent.

Newcomers like Marks and Spencer and Next Interiors, the spin-off from the Next empire, quickly carved out respectable and potentially profitable shares for themselves. Another new name, IKEA, arrives this autumn, and threatens a further shake-up in the trade.

The Swedish-based company, acknowledged as the largest furniture retailer in the world, has been having trouble finding suitable sites in Britain. With competition mounting from supermarkets, DIY and other out-of-town chains, its demand for sites of a minimum nine acres has proved hard to satisfy.

Store number one opens near Warrington later this year, and a further prized site—sought by MFI—has been acquired next door to the Tesco superstore in Neasden, north London.

IKEA already operates in 18 countries, and has more than doubled its sales and selling space since 1980. Stores on the IKEA scale of 130,000 sq ft, with 15,000 lines on offer compared with Habitat's 5,000, have not been seen in Britain, and their impact is difficult to assess.

Habitat has started to respond by opening its first out-of-town outlet. However, Verdict believes none of the existing majors need be too fearful. "The market is sufficiently big and remains fragmented enough to accommodate IKEA and other new entrants," it says.

* *Verdict on Furniture and Carpet Retailers, £450, Verdict Research, 112 High Holborn, London WC1V 6JS.*

BUSINESS LAW

Long arm laws: A lesson from the US

By A. A. Hermann, Legal Correspondent

THE vexing practice of US courts to see the world as their playground was last week confirmed by the US Supreme Court. Not without some hesitation: the court was divided 5:4 and even the majority admonished lower courts to take care to give proper consideration to foreign interests when deciding whether evidence situated abroad should be obtained by internationally agreed methods or by direct pressure and sanctions which might require litigants to violate the law of their home country. But it clearly said that such pressure may be applied, although it did not provide lower courts with any useful guidance as to how such weighing of domestic and foreign interests should be conducted.

The Rehnquist Supreme Court appears to be deeply divided in its approach to international conflicts of jurisdiction. This became evident in February when in *Asahi** it split 4:4 (with one abstention) on the question of the applicability of US product liability laws to a foreign manufacturer of components which reach the US market as an integral part of products made in a third country. Four Justices thought that it was enough if the manufacturer knew that the products containing his components would eventually reach the US market, while the other four decided that he would become liable only if he took positive action to bring the products into the US market.

Last week's decision in *Aerospatiale*† was swung towards the doctrine of universal application of US laws by the vote of Chief Justice Rehnquist and is bound to provoke more friction between the US and its allies. As the FT commented on September 10, 1986, this would make a tightening of the legislation protecting British trading interests inescapable.

The decision may ultimately boomerang, impeding US efforts to restrict the transfer of technological information for economic and military reasons. As Justice Blackman said in a footnote to his dissenting opinion: "It may not serve the country's long-term interests to establish precedents that would allow foreign courts to compel production of the records of American corporations."

To put it more bluntly: if a Soviet court followed the *Aerospatiale* decision and, relying on its rules of civil procedure, ordered a major US corporation to submit unlimited documentation and evidence on the research, development, production and testing of a type of helicopter, one of which had crashed in the Soviet Union causing injury or loss of life, and if this court threatened and proceeded to penalise the US corporation by sequestrating its assets or receivables in the Soviet Union as long as the documents and witnesses did not arrive there, we would have another of those now familiar incidents leading, if not to an intercontinental war, then certainly to the postponement of a meeting between President Reagan and General Secretary Gorbachev.

However, if US courts do the same to the UK, Germany and France, US lawyers representing foreign companies and governments do not dare go further than to ask humbly that the US courts try to balance the foreign interests against those of the plaintiffs—an act as impossible as striking a balance between a ton of metal and a quantity of electrical energy.

I am trying hard not to blush on this pink paper but must admit that the *amicus curiae* brief presented to the Supreme Court on behalf of the UK contributed to the unfortunate decision last week. In contrast with the German government in a similar case‡, the UK accepted the US view that the official channel provided by the Hague convention for obtaining evidence abroad is not exclusive. It merely asked that US courts should moderate their freedom to make discovery orders direct to foreign subjects abroad, with considerations of comity and the "balancing of interests."

The faint-hearted British government lawyers should read carefully the opinion of the four dissenting Justices. It states: "The Court ignores the importance of The Hague convention by relegating it to an "optional" status, without acknowledging the significant achievement in accommodating divergent interests that the Convention represents. Experience to date indicates that there is a large risk that the case-by-case comity analysis now to be permitted by the Court, will be performed inadequately and that the somewhat unfamiliar procedures of the Convention will be invoked infrequently. The Court's decision means that courts will resort unnecessarily to issuing discovery orders under the Federal Rules of Civil Procedure in a raw exercise of their jurisdictional power to the detriment of the United States' national and international interests."

And further: "The majority ignores the policies established by the political branches when they negotiated and ratified the treaty. The result will be a duplicative analysis for which courts are not well designed. Not only is the question of foreign discovery more appropriately considered by the Executive and Congress, but in addition, courts are generally ill equipped to assume the role of balancing the interests of foreign nations with that of our own. Although transnational litigation is increasing, relatively few judges are experienced in the area, and the procedures of foreign legal systems are often poorly understood." The US government told the Supreme Court recently§ that the Convention "must be interpreted to preclude an evidence taking proceeding in the territory of a foreign state party if the Convention does not authorise it and the host country does not otherwise permit it."

The dissenting opinion concludes: "*In most cases in which a discovery request concerns a nation that has ratified the Convention there is no need to resort to comity principles; the conflicts they are designed to resolve already have been eliminated by the agreements expressed in the treaty. Many of the considerations that lead to the conclusion that there should be a general presumption favouring use of the Convention (and) should also carry force when courts analyse particular cases. The majority fails to offer guidance in this endeavour, and thus it has missed its opportunity to provide predictable and effective procedures for international litigants in United States courts. It now falls to the lower courts to recognise the needs of the international commercial system and the accommodation of those needs already endorsed by the political branches and embodied in the Convention.*"

It would be wishful thinking to believe that the lower courts of the US will take this plea of the dissenting opinion to heart.

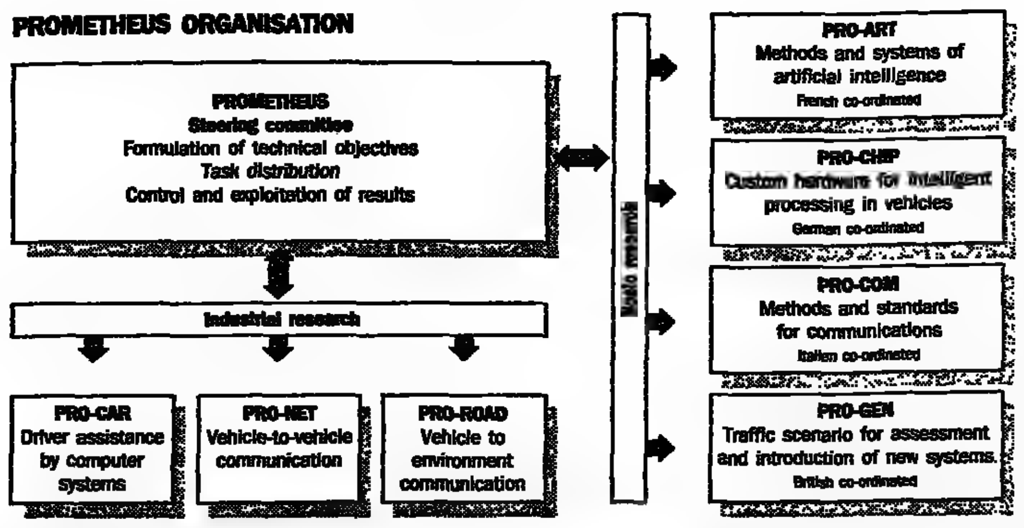
The only way to achieve its highly desirable objective is if other countries insist that whenever US courts do not make use of The Hague convention procedure when seeking evidence abroad, they are not then entitled to commit breaches of international law and that the enforcement of evidence or of the appearance of foreign witnesses outside the US jurisdiction by sanctions and penalties on property within the US jurisdiction is an infringement of judicial sovereignty and a breach of international law.

* *Asahi Metal Industry v Superior Court of California, S.Ct No 85-693, Feb 24 1987. FT Business Law Brief, March 1987, page 21.*
† *Soc Nat Ind Aerospatiale and Another v US District Ct for the S. District of Iowa, No 85—1695, June 15 1987.*
‡ *Anschuetz & Co and Messerschmitt-Bolkow-Blohm, FT Business Law Brief, September 1986, page 3-4.*
§ *In Volkswagen v Falton.*

TECHNOLOGY

Europe opts for West German car guidance

John Griffiths reports as major motor manufacturers make a united stand behind common standards and equipment designs



AUTOGUIDE, a pilot project developed and held out by the UK's Transport and Road Research Laboratory and Department of Transport as a potential world leader in computerised route guidance systems for cars and trucks, has already been largely overtaken by *developments within the* pan - European "Eureka" research programme.

A West German system, using *infra-red* transmitter/receivers mounted on traffic lights and within vehicles, is to be used instead of the UK-developed radio beacon system when demonstrations get under way in the UK and West Germany later this year. In its simplest form the guidance system provides drivers with the information they need for the easiest route to their destination.

The West German equipment, developed mainly by Siemens, is capable of exchanging eight kilobytes (8,000 characters) of information at any given time between *vehicle and monitoring* equipment. This compares with only one kilobyte for the UK system, according to Mr Malcolm Williams, director of advanced electronics at Rover Group's Gaydon Technology subsidiary and the UK's principal co-ordinator with other European *car companies* engaged in the Eureka research.

At Autoguide's unveiling late last year, Department of Transport officials stressed its commercial potential for the electronics and other companies which would produce the equipment.

For example, they said, a guidance system for use within London's M25 ring would cost £15m-£20m and would allow its infrastructure equipment makers to recoup *their* investment through user subscriptions. In-car units would cost about £150, representing £60m in sales for manufacturers even *if only 400,000 drivers* bought them. Such sums would be dwarfed, however, if the system were adopted in West European and other markets.

Autoguide's British proponents are not, however, too upset by the adoption of the German equipment for the next trials—*in* the UK, between Heathrow and Westminster.

For, as long as common standards and equipment—supplied by European producers, of course — eventually emerge none of the participants professes to be particularly worried. The size of the equipment market, assuming a finalised system were good enough, should provide plenty of business for all interested European producers, stresses Mr Williams.

The unified approach is also seen as the best way to reply to the co-ordinated juggernaut of Japanese research and development.

Development of the guidance system itself forms only a small part of the joint research *activities still being mapped* out by the vehicle manufacturers, which have their own grouping within Eureka and which, says Mr Williams, should produce the first commercial spin-offs by 1990.

They are grouped within "Prometheus," an acronym *potentially holding a hostage to* fortune in that the mythological figure showed much initiative in stealing fire from the gods—but wound up chained to a rock as lunch for an eagle. It stands for "programme for a European traffic with highest efficiency and unprecedented safety." It is hoped to halve the nearly 50,000-a-year death rate on Europe's roads by the year 2000.

Spin-offs, among which the *guildance system is one*, are claimed to be in sight even though Prometheus is only just over half-way through its initial, one-year phase of identifying projects, feasibility studies and information exchanges. This is due to be followed by a seven-year implementation programme.

Inevitably, as research in any particular area makes progress, it will become competitive. But, says Mr Williams, the thinking is that by the time this point is reached a joint technology or process will have been developed capable of tackling world markets. Its actual exploitation can then be handled competitively by European companies outside the Prometheus framework.

*Prometheus itself has a steer*ing committee from 13 European car companies, from which US multinationals General Motors and Ford are excluded. They are: Volkswagen (from which the Prometheus initiative came), Mercedes, BMW, Porsche, Rover Group, Jaguar, Rolls-Royce, Peugeot, Renault, Matra, Fiat, Volvo and Saab.

Last month, there was a watershed meeting — the first formal report back of Prometheus' study groups. "We came away with a good brief to continue, even though a lot of people had doubted whether in*dividual companies* in such a highly competitive industry could collaborate," says Mr Williams.

The overall concept for Prometheus is to create free-flowing traffic. From this would come the knock-on benefits of improved safety and environment; reduced *running* costs, for example the fuel savings of heavy trucks being guided through urban areas at a pace to catch traffic lights at green; reduced stress for drivers being continuously guided to their intended destination, and elimination of traffic jams.

There are three broad areas to tackle:

● Providing information — a category into which an autoguide system would fall. Automatic news of traffic jams and the computation, and illustration, of safe distances from the vehicle in front provide other examples.

● Physical assistance — for example, anti-lock braking and "active" suspension. Even active steering, in which an on-board computer could tell the front wheels precisely how much opposite lock to put on *to escape from a skid is in pro*spect.

● Intervention — arising, for example, when a system concludes that the driver has made a thorough hash of things and takes over to avoid a crash. One example of this could be automatic application of brakes *if distances* between vehicles became perilously small.

There is much sensitivity to the potential "Big Brother" aspects of some of these areas and at the moment "we can only research," says Mr Williams.

Underlying much of the *research is the belief that if a* driver can be helped to anticipate in even half a second less, 80 per cent of current accidents could be avoided.

Just push the button for a jam-free ɪun to the office

There remain many problems to overcome before a viable automatic guidance system for Europe becomes available to motorists.

Even so, limited introduction in 1990 is being aimed for.

Only about 4 per cent of cars in any one conurbation would need to have the equipment—with the traffic *light monitors, linked to a* central computer — in order for the system to gauge traffic flows and thus advise drivers of developing hold-ups and amend previously-given route guidance.

Siemens has a demonstration route which uses *just one beacon to guide a* car 14 km from *its* offices to Munich airport.

National phenomena need to be accounted for in devising a system allowing, say, French equipment to log on automatically to a UK system. Roundabouts, for *example, are almost unknown* on the Continent.

The complexity of information relayed is likely to involve voice computers as well as displays. So international code transmissions are envisaged that would provide for, say, the receiver of a *British car travelling in West* Germany to translate the transmission automatically into spoken English, rather than German.

Refinements should be able to include pre-programming a usual daily route. Pressing, for example, a button designated "work" or "office" would produce instant information on whether the usual route was clear, or suggested alternatives.

Words flood the desktop

BY GEOFFREY CHARLISH

DESKTOP PUBLISHING, *on* which European business spent a mere £5m on 500 systems in 1985, is set to become a £1bn market in Europe by 1990, when over *140,000* systems are likely to be sold.

These systems, which consist of a high-definition screen, keyboard/graphics tablet, *processor*, disk storage and a laser printer, seem bound to have a profound effect on publishing. One reason is that they return creation of a product to the pre-Gutenburg era, when control was entirely in the hands of the writer.

With the latest systems, the author can write the text, draw the diagrams, choose typefaces, arrange page layouts and print many copies (within economi*cal limits), without leaving his* desk. And system costs need not exceed £10,000.

According to Wharton Information Systems, which has just published a report on desktop publishing in Europe, US-based computer company Apple has about 87 per cent of the market which in 1986 amounted to *£38m* (5,000 *systems*). Apple was first into the market with high-definition screens and good software like Pagemaker. Rank-Xerox, with new systems in *1986*, had some *6 per cent of* the European market, and Gestetner about 2 per cent. But others are entering the arena and IBM could promote the idea and supply systems at almost any time.

Although desktop publish*ing* workstations can be networked (the vendors predict integration of systems into electronic offices), Wharton has found that nearly 90 per cent of today's sales are of stand-alone units. Of total sales, 56 per cent went to graphics/print professionals, including small printers, in-house print shop *users and graphics designers*. Print buyers — people like marketing managers, estate agents, and advertising men — made up 24 per cent of sales. Formerly they would have commissioned typesetting from a jobbing printer or perhaps would have settled for a type*script*. *Education, training* and journalism accounted for the other 20 per cent of systems purchaesd.

Large-scale publishers of books, magazines, brochures and *similar material* have yet to take desktop publishing to heart, mainly because of the very high quality demanded, and the long runs, often involving colour, that are involved.

In the main, desktop systems are proving attractive to those who could not previously obtain so conveniently the *quality* offered. But there are down-to-earth reasons for use of the technology. For example, information in typset form occupies 25 per cent less space than typescript, and with proper composing, readability and retention go up by 30 per cent.

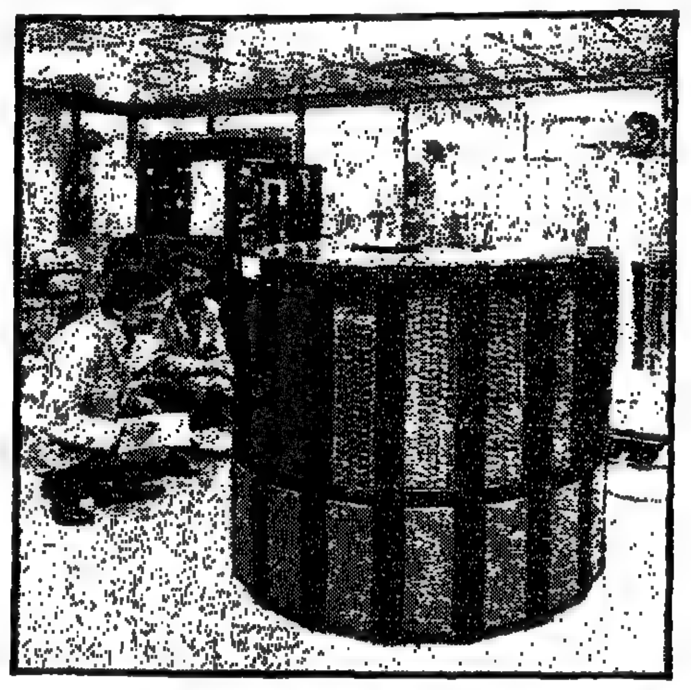
Wharton believes desktop publishing *is* bringing traditional printing's composition and presentation "within the *grasp of every* author."

The Desk Top Corporate Publishing Revolution, 270 pp, £850, *Wharton Information Systems, London*. (891 6197.)

Big brain that thinks small

BY ALAN CANE

The Cray 1, one of the world's first supercomputers was tiny compared to a conventional mainframe. Its successor, the Cray 2, now the most power*ful computer available* commercially and shown here installed in the Harwell Laboratory in the UK, makes a minicomputer of 10 years ago look large.



Costing some £13m, the Cray 2 can carry out 1.7bn calculations a second. The 240,000 integrated circuits packed into the drum shaped cabinet, only 45 inches high and 53 inches wide, generate 195 kilowatts of heat when the machine is working at full speed — equal to the heat given out by 195 single bar *electric fires*.

Air or water cooling cannot cope with such heat levels. Instead, the circuits are im*mersed in liquid fluorocarbon*, 200 gallons of it. The fluorocarbon in turn is cooled by chilled water in a heat exchanger.

THE ARTS

Basel Art Fair/William Packer

Flavour of the month

The Basel International Art Fair, was last week celebrated for the 18th time over six hectic days in the city's Schweizer Mustermesse. It remains, along with those in Cologne and Chicago, the principal annual trade festival of modern art. Modern Art is the loosest of categories and may be taken, as here, to embrace anything from impressionism to the latest of contemporary effusions.

Paul Delvaux, whose work was prominent on the stand of the Galerie Isy Brachot of Paris and Brussels, is above all other surrealists the painter of the quietly disturbing dream and gentle erotic vision. Elegant and impassive, his tall ladies rise naked from their baths to walk the streets at midnight, perhaps to catch the train that slips regularly through the shadows of the station.

The critic's dreams on these occasions, however, are hardly to be disturbed by such wistful succubi, for it is the event itself that furnishes the nightmare. Here, filling two vast floors of the Round Court Exhibition Hall, was a warren of stalls to defy Ariadne in which, quite literally at every turn, yet another of the 311 participants, from all over the world, was to be found crying its particular wares.

There were 87 from West Germany alone, 65 from Switzerland, 31 from France and 16 from America, but only eight from Britain which, given how little British art is known abroad and considering the pride we take in London as a prime market place for art of every kind, can only be taken as a pity and something of a reproach.

Faced by such a mass and weight of stuff, all the poor critic's professional interests and anxieties resolve themselves into the single question: how on earth to see, let alone assimilate it all.

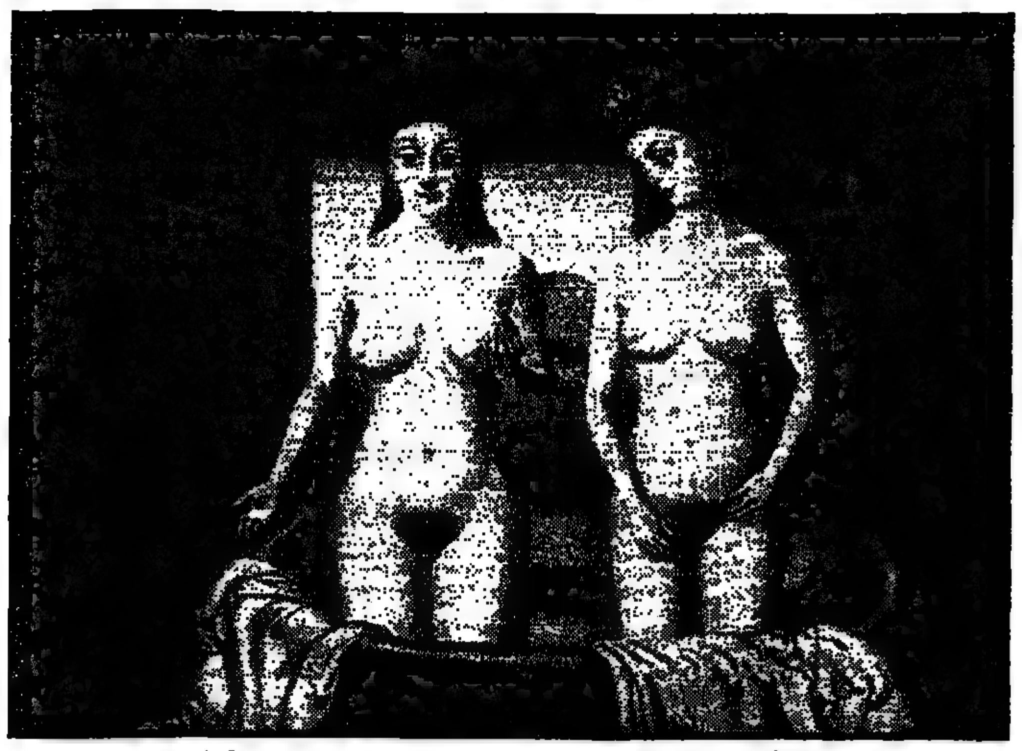
I am happy to leave the painful choices to colleagues whose subjects are the salerooms and market as such. For an art fair presents an aggregate not of what distinterested critics and curators would necessarily consider to be the more serious or significant of the work current in any particular field, but simply of what professionals with a living to earn think they can sell.

Leaving aside any immediate commercial justification, however, art fairs are peculiarly useful to the passing critics. He may not see anything, but he will pick up, by a most curious osmosis, a sense of what the art of the moment is in the everyday world. And where the market leads, so often the world of ideas and criticism will follow.

The message from Basel is that there will be no revolution this year or next, or indeed for some time to come. The newest names have yet to register and, in the fields of both contemporary and modern art, the safest names are the most successful. The busiest galleries seemed to be those dealing broadly across that full range, mixing the comparatively old and safe with the comfortably new.

Most obvious was the revival of interest in the immediately post-war European schools, the COBRA group especially and the Paris of the 1950s, Karel Appel and Poliakov. Pothumous heroes were as conspicuous as they were safe: Picasso, Beuys and, everywhere, Andy Warhol as fresh as paint. His travesty of the Last Supper (Galerie Hans Mayer, of Dusseldorf) was a betrayal of his true reputation.

The British galleries all showed a selection of their current artists, with whom Angela Flowers and Nicholas Treadwell were completely occupied, while Bernard Jacobson added examples of earlier modern British, including a magnificent Bomberg still-life. Lisson and Gimpel Fils added international contemporary art, and Christie's Contemporary Art. Piccadilly and Annely Juda took in modern master prints, symbolist and pre-war German drawings and early European constructivist abstraction, respectively. Good as the British art looked, on home ground, it was even more gratifying to see the few examples that popped up elsewhere to their real advantage—Bridget Riley, Kenneth Martin, Jon Groom, Stephen Buckley.



"La Naissance de Venus" by Paul Delvaux, 1937

The Art Fair may be over, but more than enough art remains in its public and private galleries to lure you to Basel. There are shows of Francesco Clemente watercolours and Joseph Bepys drawings at the Contemporary Art Museum, and watercolours by Baselitz at Galerie Buchmann next door. Galerie Bayerler has the choicest retrospective of Francis Bacon I have even seen (until September 12), small but of the highest class with particularly fine and quite as rare examples from the 1940s and 1950s.

The Kunstmuseum has two special exhibitions: *The Light of Holland* (until September 27), Dutch paintings of the 17th century drawn from several collections, notably that of the Prince of Lichtenstein — Rembrandt, Hals, Terborch, Pot, Wouwerman, Steen, van Goyen, the van Ruysdaels, Hobbema, de Hooch and so many more—to show us something of the peculiarly soft and opalescent light of that wonderful school. And downstairs all the Böcklins that were lately in Japan are shown for once together.

But temporary shows or no show at all, the Kunstmuseum is its own imperative for its magnificent permanent collections: of early modern art, Picasso, Matisse, Leger and the rest; of French 19th century, from Ingres and Corot to Gauguin; of Dutch 17th century again; and, above all, of Hans Holbein, at whom any pilgrimage to his home city should be principally directed. "The Dead Christ," life painting as still life, is one of the greatest and most profound of studies of the figure, and the human condition, ever made.

Melon/Haymarket

Michael Coveney

Simon Gray and Alan Bates are growing old not all that gracefully together. After *Butley* and *Otherwise Engaged* the liaison moves into total breakdown territory, with a quintessential Gray hero — something in publishing, a managing editor to be precise —undergoing emotional trauma in the flashbacked security of a psychiatric ward.

Mr Gray has acknowledged the source material of Stuart Sutherland's book *Breakdown*, which charts nervous disintegration of a man who discovers his wife is having an affair with a close friend. The stage model that comes to mind is Harold Pinter's *Betrayal* and by far the best scenes of a markedly uneven piece are those in which *Mark* Melon, publisher, indulges his jealous obsession within the liberal confines of his open marriage.

Gray's lilting, easy prose style has a relishing effect on Melon's interest in the oftenness of sexual encounters between his wife and her lover. And Bates, onlie begetter and unchallenged champion of the acting school of ear-tugging menopausal crisis, wraps his desiccated vocal chords around such verbal curlicues to fascinating effect.

The piece becomes embarrassing when Christopher Morahan's lumpen production comes over sort of, well, theatrical, employing sung harmonies among the actors to invoke social peacefulness that was always an illusion anyway. The events occurred on Tuesday evenings, an habitual soirée date that embraced the hang-dog, corduroy-suited office sweat, Melon's opaque and badly written adolescent son, a TV arts interviewer who screws anyone female and worth talking to, and a gay Jewish neighbourhood psychiatrist whose prime dramatic function seems to be providing Melon with a chance to afford such barbarous witticisms as "Gays put the part of the body I most admire into the part of the body I least respect."

Such cruel quips are fair enough round a dinner table, and not bad on the printed page, but pulsating new theatre they do not make. In spite of all of Alan Bates's attentions, Melon's wife's chap is wavering between the Liberals and the SDP — which gained a laugh much different, I imagine, to that garnered on the pre-Election tour. The play becomes riveting only when, spasmodically, the mode of marital interrogation is conducted as a form of sexual foreplay.

Liz da Costa's design suggests an institutional hideaway — hints here of Pinter's *Hothouse* to boot — invaded by remembered domesticity, but the overall picture is ungainly, the screens awkwardly deployed. We see Melon at work withstanding the pushy interventions of his incipiently senile overlord (William Squire) and the hunchbacked ministrations of an editor (Glyn Grain) who has settled for wielding the blue pencil at the expense of creative ambition and who achieves physical erection (sic) only when he has occupied the managing editor's chair.

The dastardly TV personality is played with an all too predictable leer by Tim Hardy and it is a measure of the comparative failure of the play as an engaging narrative that you never really care about who has done what to whom and why, let alone when.

Carole Nimmons offers sterling if uninspired support as the wife who wishes to see her husband in each orgasmic transgression. The evening is salvaged by an unforgettable performance by Bates, whose bulky, sullen brand of ageing innocence and tart inquisitiveness convinces you that here is an actor totally at home in his crumpled suit and a convoluted, painstaking manner of registering odious disapproval at the ways of the modern world.

Alastair Muir

Alan Bates

A Midsummer Night's Dream/Sadler's Wells

Claire Armitstead

In his preface to a well-timed picture book about Lindsay Kemp and Company, film director Derek Jarman describes the frisson created by his first contact with their work. It was in the early '70s through *Flowers*, subtitled a pantomime for Jean Genet, which is one of three oeuvres they have brought back to London this month for one of their regular "rare" returns. The observation struck me because it was so close to my own experience: as a restless teenage probably absent from school without leave *Flowers* appeared apocalyptic and altogether wonderful—the stunning antithesis of sitting in a classroom mugging up exam Shakespeare.

All of which becomes doubly relevant in the context of *A Midsummer Night's Dream*, a production premiered in Rome in 1979 and London four years later, which drags Shakespeare backwards through a kaleidoscope and sets him down travestied or celebrated, depending on whether you love to love, or love to hate, Lindsay Kemp. Very few people, it seems, are indifferent.

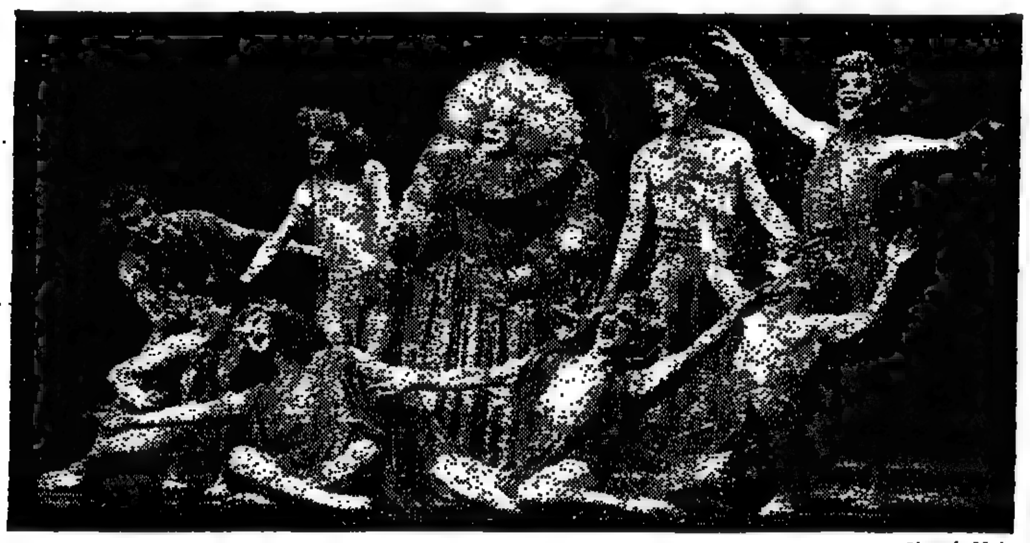
In bare narrative terms this dance theatre extravaganza takes the outrageous liberties one would expect from the lord of high camp, using a musical pastiche from Carlos Miranda and lighting by John Spradbery to transport us into the other world monopolised by Kemp's work.

The story as Shakespeare told it is prefaced with the seizure of Hyppolyta by Theseus; the enchantment of the lovers becomes an instrument of homo-erotic fantasy (*Lysander goes for Demetrius and Hermia pursues Helena, nakedly, across the stage*); *while the "changeling boy"* who causes the trouble between Oberon and Titania becomes an iconic figure of asexual beauty — the piercing falsetto of Francois Testory issuing from a body as slim and lithe as a reed.

The question is not whether the show is true to the letter of Shakespeare but to its spirit. They key lies in the figure of Puck, played by Kemp himself as a rotund little body reminiscent of one of those stone puttis one might expect to find in an extremely old Florentine garden, suggestively smiling with their wings chipped off.

Kemp is an entirely compelling performer, who manages to mould the dream around himself. And as a figment of Puck's mischievous imagination the *interpretation rings* true—from the orgiastic coupling of a phallic-horned Bottom with Titania (The Incredible Orlando in voluminous drag), to the rude mechanicals, whose confusion of Pyramus and Thisbe with Romeo and Juliet becomes a burlesque of *heterosexual romantic love* enacted by a troupe of red-nosed clowns.

These is a sense here of an old dog up to his old tricks (the nudity and flagrant sexuality are certainly not as shocking as they once were) but the vision of the man remains, as does his power to thrill. *Flowers* and *The Big Parade*, a Hollywood retrospective and a mere stripling at just three years old, are still to come.



Alastair Muir

The Incredible Orlando (centre)

Every Good Boy Deserves Favour/Elizabeth Hall

Martin Hoyle

Every Good Boy Deserves Favour, the mnemonic for the lined notes in the treble clef, is the Tom Stoppard / André Previn collaboration on music and madness mounted in 1977, the "Prisoner of Conscience" year. After a decade the account of the mistreatment of Soviet dissidents confined in mental hospitals still strikes a chilling note. Otherwise, the arid little fable, commissioned from Stoppard to provide a play that would require an on-stage orchestra, singularly fails to hang together — fairly obviously the work of a not particularly musical writer unable to blend music and drama into a cohesive whole.

Gillian Daniell's design frames the cell with a giant musical triangle. The cellmates are both called Alexander Ivanov: one is a dissident (Peter McEnery, strong and withdrawn), the other genuinely disturbed, haunted by an orchestra that he conducts and abuses, played by Michael Feast giving us one of his febrile obsessives. We glimpse the schoolroom where the dissident's small son is bullied by Sheila Reid's sarcastic teacher, and the doctor's office where the madman briefly takes over after the doctor rushes off to play in an orchestra (a real one).

The only singing comes from the child (the assured Corrin Helliwell). Otherwise a short absurdist fable about real courage is simply interrupted by musical interludes from the band, intermittently visible behind an upstage gauze. Mr Previn's score has moments of accessible lyricism, scurrying spikiness that recalls Prokofiev and ominous sound-track menace.

The evening is completed by the Brecht-Weill *Seven Deadly Sins*. The Italian cabaret singer Milva, nicknamed "The Panther," prowls, tosses back her flaming mane, shoots quick glances at audience and colleagues when not singing, and at one point advanced vampishly on a black-trousered violinist before realising it was a lady fiddler. Hand on hip, fists clenched on her thighs, caressing her body in the lust episode, leaning on the music stand to emphasise a point to the front row, Milva gives a night-club reading. Eventually the sheer conviction grabs you, but this is a world away from the corrosive blend of treacle and acid in the reptilian charm of Lenya's old recording or the deadpan irony of Julie Covington's hatchet-faced reading for the punchy ENO production. Sardonic detachment is missing. For both works Paul Daniel conducts the orchestra of St John's Smith Square with incisive attack.

Royal Philharmonic/Festival Hall

Andrew Clements

The point of Tuesday night's Royal Philharmonic concert, and the reason for its inclusion in the orchestra's "Andre Previn Selection" which dominates the South Bank for the next two weeks, was clearly the appearance of Anne-Sophie Muter in Prokofiev's First Violin Concerto. Miss Mutter did not dissappoint (quite the opposite); but the remainder of the evening had a curiously deadened, dutiful air.

One of the leading characteristics of Previn's association with the RPO has been the confident assertion of his talent for the mainstream symphonic repertory, something which tended to be played down in his more glamour-conscious LSO days. While the later romantics have been convincingly tackled, Beethoven, on current evidence, continues to elude him. The *Coriolan* Overture with which Previn began here was inert, under-articulated; the ensemble (from an orchestra currently in excellent fettle) blurred at the extremities.

In the Seventh Symphony reasons for such comprehensive dissatisfaction were harder to define though equally real. Some portions were obviously lustreless — the first-movement introductian bereft of mystery, the Allegretto stolid and culminating in a fugato of negligible tension — but the faster music was driven at a respectable pace, cleanly renderd by the RPO, to give at least a simulation of involvement. What was altogether lacking, however, was an envelope of dynamic tension, a sense that the music was being directed towards a genuine catharsis.

Yet to accompany the concerto Previn and the RPO had conjured playing of enviable dynamic range, refinement and rhythmic grip. Coughing spoilt both ends of the Andantino: the tiny thread of sound, perfectly focused, with which Mutter nudged the concerto into motion was almost lost. Thereafter the playing of both partners gained in authority: a magical reprise until the coughs intervened, *fierce, physical scherzo* and lazily sensuous finale, in which the soloist's tone, never *overwhelmingly large*, assumed dominance by its sheer purity and poise.

DEC Dance Awards announced

As part of a continuing involvement with dance in Britain, Digital Equipment Company has announced the first DEC Awards for new choreography.

The awards, which represent £40,000 from DEC's £0.5m "Partners in Dance" arts sponsorship funding, have been devoted to contemporary and post-modern creativity, and will allow Ballet Rambert to mount a work by Merce Cunningham, and London Contemporary Dance Theatre to acquire a piece by Rosalind Newman.

Among ten more commissions chosen from a wide range of companies, Scottish Ballet will produce a new work by Lloyd Embleton, while Lloyd Newson will create a production for DV8 Physical Theatre. Michael Clark will provide a novelty for his own company and the Dutch choreographer Beppie Blankert (currently at The Place with Dansproduktie) will work with Diversions Dance Company.

Digital's only stipulation concerning use of the awards is that the companies to whom funding has been allocated shall give public showing of the commissioned piece before the end of May 1988.

Clement Crisp

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Exhibitions

June 19–June 25

PARIS

Berthe Morisot: More than 40 oils, pastels, watercolours, crayons and sculptures retrace the development of the woman painter who, influenced at first by Corot, became a friend of the impressionists and took part in their first exhibition. Galerie Waring Hopkins, Alain Thomas, 2, rue Miromesnil (42655105). Opened all days except Sundays and lunchtime. Ends June 27.

ITALY

Venice: Ala Napoleonica and Museo Correr: 'Matisse and Italy': over 250 works by one of most poetic of 20th century French Painters. The exhibition includes paintings, drawings, and Matisse's entire output of sculpture (75 pieces in all), lent by private and public collections in France and America, and the Musée Matisse in Nice. Pierre Schneider, the organizer, has attempted to show how the works of Italian painters such as Mantegna, Pollaiolo, Giorgione and Veronese may have influenced Matisse. Until October 18.

LONDON

Burlington House, Picadilly: The Summer Exhibition of the Royal Academy has come round again, for the 219th time. Over 1,300 works have been chosen, nearly 300 fewer than last year, from an open submission of over 13,000 – paintings in all media, prints, drawings, sculpture and architectural design. For all its variety and quirkishness, the exhibition is strongly professional: the amateur work which once made it notorious has been more rigorously excluded in recent years and is now all but gone. With their privileged entry of six works apiece, the Academicians and Associates set the standard and the tone. With so big a show as this the visitor must follow his own taste and judgment and work quite hard to see everything properly, but such involvement brings its own rewards, from the work of Elizabeth Blackadder, Olwyn Bowey or Gus Cummins to that of Gillian Ayres, Joe Tilson or John Bellany. (Daily until August 23).

SPAIN

Madrid, masterpieces of the Duchess of Alba collection, Spain's best private collection offers a thorough view of Spain's history enriched within centuries by family legacies from the 16th century to the 20th. Sculptures, engravings and paintings include Titian, Rubens, Ribera, Rembrandt, Mengs, Goya, Renoir, Beinllure. Centro Cultural la Caixa, Serrano 60. Ends Jun 30.

Madrid, Fernando Botero. Colombian painter whose imaginative world is a poetic distortion of reality. 100 works on loan by private collectors, museums and artist's funds. Centro de Arte Reina Sofia, Santa Isabel 52. Ends Sept 6.

NEW YORK

Museum of Modern Art: Berlinart 1961-87: An international assortment of 55 artists who worked in Berlin over the past 25 years includes David Hockney, Malcolm Morley and Georg Baselitz. Ends Sept 8.

Guggenheim: The first retrospective of Joan Miro since his death in 1983 includes more than 150 pieces, including paintings objects, collages, ceramics and works on paper that explore the artist's experimental media, methods and primitive inspirations. Ends Aug 23.

CHICAGO

Art Institute: The 1985 Grand Palais exhibit of Lartigue's 1920s photographs shows the evocative panoramas and fleeting moments on the streets of Paris between the wars. Ends June 28.

Art Institute: 16th century Turkish art that flourished under "The Lawgiver" Sultan Suleyman is displayed in 210 objects including illustrated manuscripts, inlaid woodwork, rugs and the imperial wardrobe. Ends Sept 6.

WASHINGTON

National Gallery: 61 Italian master drawings by Leonardo, Michelangelo and Raphael among others travel for the first time from the Royal Collection in Windsor for this exhibit. Ends July 26.

TOKYO

Kandinsky: 100 works on loan from collections at museums in Munich, Paris, Moscow and New York. National Museum of Modern Art, Kitanomaru, near Takebashi Station. Ends Aug 9. Closed Mondays.

Batik from Java: This superb exhibition of this textile art includes many examples of traditional work rarely seen outside Indonesia. Suntory Museum of Art (with splendid views over the city) near Akasakamitsuke subway station. Ends June 28.

Saleroom/Antony Thorncroft

Paintings come unstuck

Sotheby's had one of its more depressing experiences on Tuesday evening when its major sale of 19th century European paintings and sculptures came unstuck, with a total of £1,964,380 but 44 per cent unsold. The biggest disappointment was the failure of "The boar hunt," by the French artist Horace Vernet, to find a buyer. It is a vigorous Arabic scene, just the kind of painting that would have fetched a hefty price when the oil price was higher, but it went unsold at £285,000.

Another surprise failure was a portrait by John Singer Sargeant of Mrs Harold Wilson (an 1897 version) which was bought in at £220,000. Sargeant has topped one million dollars in the US, but, perhaps because the clothing is on the dark side this work was unwanted.

The third major lot to remain unsold was "Boys on a beach" by Max Liebermann, which had been exhibited at the famous "Degenerate Art" exhibition in Munich in 1937. It was bought in at £150,000. There were successes. Artemis, the London dealer, paid £350,000 for "The seamstresses" by Millet, while a tiny Corot landscape more than doubled its estimate at £104,500. Sporting pictures still have some fans, with a John Frederick Herring Snr on target at £93,500.

The best feature of the auction was demand for sculptures. A 145 cm high marble by Richard Wyatt depicting a nymph of Diana taking a thorn from a greyhound's foot, which had been discovered moss hiden in a Welsh garden, beat its estimate of £44,000.

The sale continued yesterday with "Ducks on a pond in summer" by the German artist Alexander Koester almost doubling its estimate at £63,800 and "The orange seller" by the Norwegian painter Christian Skredsvig also doing well, at £37,400.

The highlight at Christie's was a collection of John Tenniels original working drawings for his illustrations to Lewis Carroll's "Through the Looking Glass," probably the only group in private hands. It sold for £148,500 to an American collector.

Christie's sold jewels belonging among others, to King Leka of Albania, Lord Bolton and Susannah York. A diamond and sapphire necklace owned by the King made £17,600; Lord Bolton's emerald and diamond pendant realised £52,800; and among Miss York's jewels, a brilliant cut *diamond fourteen* stone necklace fetched £4,180. Top price in the auction was the £187,000 paid for an antique emerald and diamond pendant.

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Thursday June 25 1987

Trench war in Brussels

THE EUROPEAN Community has become so accustomed to the spectacle of ministerial meetings which reach no decisions that the prospect of another sterile encounter has almost ceased to shock; yet seldom have expectations been so low, or the auguries so depressing, as for the European Summit meeting which takes place in Brussels on Monday and Tuesday. Not merely is there little expectation that the heads of government will take constructive decisions; there seems to be little agreement on what the agenda should be.

It is not that the on-going work of the community institutions is lacking either major problems which need to be tackled at the highest level, or substantial policy which might help to focus the deliberations of the governments; on the contrary, both are abundant. The main thing lacking appears to be the political will of the member states to reach any compromises on anything.

The excesses of the farm policy need reforming more urgently than ever, yet are deadlocked in the Farm Council. The community budget, so recently expanded, is already more profoundly bankrupt than ever, largely because of the excesses of the farm policy. The community has embarked on an ambitious programme to create a fully liberalised internal market by 1992; but this programme is falling significantly behind schedule, because of the slowness of decision-making in the Council of Ministers, and the member states are failing to grasp one of the chief corollaries of a unified market, which is a significant strengthening of the European Monetary System.

Stumbling block

The commission has argued for a substantial increase in the financial resources provided to the community by the member states, partly to escape from incessant budgetary crises and partly because it believes that opening up the internal market will call for a doubling of the community's regional and social funds over five years. The second half of this argument is backed up by the Padoa-Schioppa report, which claims that opening the market will impose inequitable stresses on peripheral and weaker states and regions; more important in political terms, the peripheral states may not agree to market liberalisation unless they get increased regional and social transfers from the community.

The central stumbling block, now as for many years past, is the absurd and uncontrolled extravagance of the agricultural policy. Despite all the recent efforts of the commission to press the case for reform, it has continued to suck up a wholly disproportionate share of the budget, regardless of the recent increase in resources, partly because the member-states (led by West Germany) resist reform, but mainly because the policy was from the beginning constructed in such a way that costs are virtually uncontrollable.

Without a radical change in the basic structure of the farm policy, its tendency to absorb ever larger amounts of money would be likely to continue; it was disingenuous of the commission to call for generous new budgetary funding arrangements, as if the control of farm spending could be taken for granted. On this occasion the British Government is right to take a narrowly negative view of budgetary funding; if the farm policy were radically reformed, with much lower prices, and the income support costs born by member-states, there would be room for increased structural transfers within the existing budgetary ceiling.

Marginal interests

It is easy to see why the community's vested interests should resist change, and why the negotiation of change should be particularly difficult in a community of 12 disparate members. It is even possible to understand why the West German Government has a mutually contradictory policy of resisting farm reform but demanding tight budgetary discipline. It is much less easy to understand why member states go on thinking it is appropriate to go on waging endless trench warfare over marginal vested interests which are insignificant compared with the major political and economic challenges facing the community from outside: the possibility of a radical shift in the politico-security status of Europe, between the US and the Soviet Union, and the worrying prospect of a downturn in the world economy, as highlighted in the recent BIS report.

More than ever, these external challenges call for the closest possible policy convergence; yet the member states risk making the community seem blinkered, impotent and irrelevant. The recent upsurge in proposals for closer European defence co-operation is thoroughly welcome; but their credibility is undermined when the member states stumble over the most banal ingredients in their so-called common market.

The SDP, large or small

BRITAIN'S Social Democratic-Liberal Party Alliance is behaving as if the general election campaign is still going on. Instead of fighting Labour and the Tories, the partners have switched to attacking each other in a battle that could outlast the summer. They might try pausing for thought.

There are two fundamental questions that the Social Democratic wing of the Alliance has to face. The first is whether there is something sufficiently distinctive as social democracy to justify the maintenance of a separate political party under that banner. The second is whether, if there is, the party has any realistic chance of making a footprint rather than a fingermark on the British political scene. The system, after all, is stacked against small parties and likely to remain so.

Safety net

In other words, the debate is about whether social democracy should have small or capital letters. With capitals it is a party in its own right. With small letters it is a political philosophy, perhaps best defined as the market economy with a safety net, to be found in varying degrees in all the other main groupings: Labour, Tory and Liberal.

The questions are not easy to answer; nor is it imperative that they need to be answered this week, next month or even next autumn.

For one thing, the circumstances in which they are addressed change with time. The Labour Party which Dr David Owen and some of his colleagues left in 1981 to form the SDP is not the same as the Labour Party today. It did not do well in the general election, but at least it arrested its decline. Whether it will look more social democratic or less after its autumn conference, nobody yet knows.

It is arguable that the Conservatives have changed as well. Mrs Thatcher's first statement after the election result was that there was work to be done, especially in the inner cities. She may have picked up the social democratic message.

As for the Liberals, they are as much of a coalition as either of the two big parties. Sometimes we see the acceptable face of Mr David Steel; at others it is the moralistic wing of the campaign for nuclear disarmament, the no-growthers and the people who would rely for energy supplies on the powers of the waves and the sun. They are not a party with whom Dr Owen could easily throw in his entire lot.

Reasoned approaches

Personalities also matter. Even if Mr Kinnock embraced social demorcracy overnight, it is hard to see Dr Owen rejoining the Labour Party. It is equally hard to see him accepting a place in Mrs Thatcher's Cabinet, even if she endorsed the concept of the safety net.

Yet the fact remains that the Social Democrats have been reduced to only five MPs. The Liberals are the stronger partner, both in parliament and in terms of organisation in the country. It is difficult to resist a takeover bid—for that is what the Liberal talk of a merger amounts to—when fortunes are low.

Four of those MPs (not Dr Owen) appeared on a platform yesterday calling for a referendum of party members on whether a merger should take place, their own advice being clearly that it should not.

It looks like a democratic approach. In fact, it would be a mistake at this stage. The plan is that it would be completed by August 5. The likely outcome is that it would split the party and the Alliance still further. There will be plenty of time to talk about more reasoned approaches when the summer is over. Dr Owen should say so.

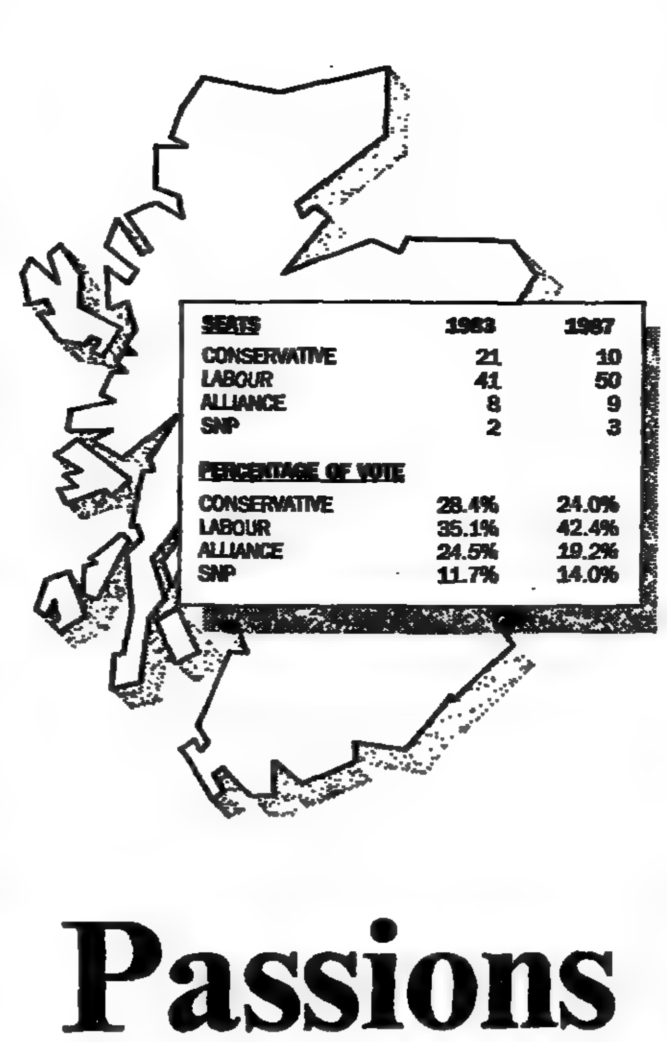
James Buxton reports on the devolution debate in Scotland

Passions stir again

"WHEN everything you want is crushed by a totally different political approach in other parts of the country," says Mr Donald Dewar, Labour's Shadow Scottish Secretary, "the way out of the dilemma is the creation of a Scottish Assembly."

Eight years after a Labour Party plan to give Scotland an assembly failed to receive sufficient support in a referendum, devolution is back on the agenda. The creation of an assembly heads the list of demands which the Scottish Labour Party is putting to the Government. And, in the last few days, a small number of Scottish Conservative devolutionists have openly urged the party to change its anti-devolution stance, partly with a view to restoring its battered position north of the border.

The general election was a disaster for the Conservatives in Scotland. An anti-Tory swing, complemented by tactical voting, cost them 11 seats. This left them with just 10 of the 72 Scottish seats in the House of Commons—even though their share of the vote fell by only 4 percentage points to 24 per cent. By contrast Labour took 42 per cent and gained nine seats to total 50 Scottish MPs.



SEATS	1983	1987
CONSERVATIVE	21	10
LABOUR	41	50
ALLIANCE	8	9
SNP	2	3
PERCENTAGE OF VOTE		
CONSERVATIVE	28.4%	24.0%
LABOUR	35.1%	42.4%
ALLIANCE	24.5%	19.2%
SNP	11.7%	14.0%

It was a devastating rejection of Conservative policies, of Thatcherism and of its leader—always seen as a particularly unsympathetic English figure in Scotland. Mr Bill Miller, Professor of politics at Glasgow University, attributes it principally to the Conservatives' failure to provide full employment and their opposition to any form of Scottish assembly. "The Scots see the Tories as an alien force that inflicts things on Scotland." He gives as an example the community charge, the flat-rate poll tax that is to replace rates in Scotland from 1989 and which failed to attract voters even in the more affluent parts of the country.

So is there to be a confrontation over the Scottish assembly issue between an intransigent government and a confident Labour Party? Or could Scotland's desire to escape Thatcherism and the Conservatives' wish to regain popularity converge, causing the Government to give Scotland a degree of devolution?

Labour's manifesto proposed a Scottish assembly that would put under direct democratic control the powers which Westminster has devolved to the Scottish Office, including control of such things as education, local government and health, as well as the Scottish Development Agency (SDA). The assembly would have the power to levy taxes (unlike the assembly for which Labour legislated in 1978) and would be elected under the first past the post system. Labour would draw far more benefit from staying with this system than if proportional representation were introduced. There would be a Scottish executive which reported to the assembly, but the Secretary of State for Scotland would keep his post in the Cabinet.

The Scottish TUC believes that such an assembly—which would involve a constitutional upheaval—would enable the region to pursue a very different economic policy to that of the Government. Even those who think that important economic decisions affecting Scotland would still be taken in London believe that an assembly could have a "therapeutic" effect. As one member of the Scottish business establishment says: "People would feel better if their problems were being discussed by an assembly in Edinburgh." And three of the four parties in the general election—the Alliance and the Scottish National Party as well as Labour—offered some form of home rule. Between them they won 76 per cent of the Scottish vote.

Yet Mr Malcolm Rifkind, the 40-year-old Secretary of State for Scotland, says he has "not the slightest intention" of taking the election result to mean that the Government should implement Labour Party policies in Scotland. The Conservative Party, he says, is studying what went wrong and he insists that there will be "no no-go areas" in that process. But he is sceptical as to whether the Scots really want an assembly.

Devolution was not a major talking point in the election. The opinion polls present a paradoxical picture: last month 70 per cent of Scots said they wanted an assembly of some kind, including 29 per cent who were in favour of something close to independence. But only 4 per cent of those asked listed devolution among their top two priorities. Any drive for an assembly could risk a repeat of the 1979 fiasco—in the referendeum roughly one third of Scots voted for an assembly, one third against and one third did not vote at all. Though there was a tiny majority in favour of devolution, those wanting it did not amount to 40 per cent of the electorate—the hurdle set by the Labour Government.

"Devolution can be presented as a constitutional abstraction and as such it is likely to come behind jobs and health on anyone's checklist," says Mr Dewar. "But if you ask people do you want a greater say in your own affairs it becomes different." Along with the Scottish TUC, Labour is planning a campaign to mobilise public opinion behind the assembly idea. He is under no illusions about the difficulty of the campaign in Parliament. "There are no grounds for optimism at the moment, but the Tories will have to look at it very carefully. Tory anxiety could be a good basis for reform," he says.

Yet devolution could have its pitfalls for Labour. The size of Scotland's representation at Westminster would come into question. Mr Rifkind says: "The idea that you can have full home rule on domestic issues in Scotland and continue Scotland's over-representation in the House of Commons is a constitutional nonsense." There are reckoned to be about 12 to 15 more Scottish MPs than are justified by applying the national average of constituents per MP. Mr Neil Kinnock, Labour Party leader, would presumably be reluctant to see a fall in the number of his troops at Westminster. And Mr Dewar says the full quota of MPs would be needed to represent Scotland in the House of Commons on issues that were not devolved, such as defence.

Labour, in any case, can merely struggle for an assembly, only the Conservatives can grant one. It seems unlikely that a staunchly unionist party, led by Mrs Thatcher, would want to embark on even a modest version of the constitutional changes being mooted. The Tories will not forget that the Labour Government spent nearly two parliamentary sessions on devolution in the late 1970s and achieved nothing.

Furthermore, not everyone takes a cataclysmic view of the Conservative Party's predicament in Scotland. "Nothing has changed," says Mr Chris Allen, of the department of politics at Edinburgh University. The Conservatives have governed Scotland with only a minority of the region's seats since 1979. At first, he points out, they were extremely cautious and made concessions to both Labour and their own devolutionists. "Then, after about a year, they discovered that there was no Scottish resistance, and they began doing exactly what they wanted — taking on the Labour local authorities, for example. Labour was completely ineffectual."

This time the Tories are likely to be more conciliatory. They may be more generous with funds for councils, boost the budget of the SDA and set up a Scottish form of the National Economic Development Office, while pressing ahead with what Mr Allen calls "electoral engineering" — such as council house sales.

Mr Rifkind this week told the local authorities the Government was determined to implement the community charge. Some Tories believe it could become an electoral asset if Labour councils continue to push up rates.

But Labour is determined that no one should call it ineffectual this time. Some of the new intake of Scottish MPs, such as Mr George Galloway, who also runs War on Want, and the journalist Mr Brian Wilson, may be less docile than some of their predecessors. There have already been calls for a much more strident approach than Mr Dewar is offering from leftwingers Mr Dennis Canavan and Mr Ron Brown. But so far there is no sign of the public anger that would be needed to support extra-parliamentary activity or civil disobedience, as some members of the far left have suggested.

If the 50 Scottish MPs only succeed in harrying the Government without winning their main demands, devolution and the abolition of the community charge, they will be prey to the accusation which the Scottish National Party voiced throughout the election — that Labour is no defence against Tory rule in Scotland.

THURSDAY BOOK REVIEW

A view of the room

By Ian Hay Davison
Weidenfeld and Nicolson: £14.95

LLOYD'S of London has always relied too much on great men. Consider the following.

Thirty years ago, when D. E. W. Gibb wrote the standard history of Lloyd's, he subtitled it A Study of Individualism. It was a tale woven around personalities.

There were men like Colonel Sir Henry Hozier, who built up the Lloyd's marine intelligence system, and challenged the Postmaster-General to a duel in 1906. Then came Cuthbert Heath, who in the late 19th century steered Lloyd's away from its exclusive concentration on insuring ships.

It made for vivid reading. The problem for Lloyd's came when its great men turned out to have feet of clay.

Gibb, it turns out, had hit on a historic weakness of Lloyd's: its over-reliance on a few decisive and colourful individuals as the agents both of institutional reform and commercial innovation.

This had damaging results in the 1970s, especially when there were no great men in sight. It helped foster a tendency to dispense with proper rules and regulations, in favour of personal, informal ways of doing business, or punishing miscreants.

There was also undue reverence for powerful figures in the Lloyd's establishment, which inhibited debate and stifled change.

In day-to-day trading in Lime Street, a few powerful characters—like Mr Peter Cameron-Webb, the market's leading fraudster—came to occupy too prominent a role. The culture was, essentially, anti-intellectual, which precluded informed public debate about fundamental economic and commercial issues.

Now we have a new account of Lloyd's, less entertaining than Gibb's and written by Mr Ian Hay Davison, who resigned as the market's chief executive in 1985.

On one level, the book is an acute diagnosis of the institutional weaknesses which allowed fraud to flourish in some parts of the market. On another, the book reveals how Mr Davison was himself trapped by the Lloyd's system.

The author — who sub-titles his account, Lloyd's, change and disclosure — is in no doubt where Lloyd's went wrong in the 1970s. It neglected basic standards of disclosure, so that its members received only sketchy information about the way the market's underwriting agents were doing business on their behalf.

Lloyd's had evaded independent scrutiny, whether in Whitehall or Fleet Street. Many people had joined the market for real or imagined tax advantages. With no understanding of insurance, they were easy prey for men like Cameron-Webb.

Hence the need for what Mr Davison sees as his main reforms, of which the most important was the 1984 Syndicate Accounting By-law. This forced Lloyd's syndicates to publish the kind of properly audited accounts required of companies.

Then, in January this year there was Sir Patrick Neill's report recommending that Lloyd's change the constitution of its ruling Council to end its domination by the market's own professional insurance people.

Mr Davison's main purpose in this book appears to be to endorse Neill's conclusions. He argues that a new constitution was essential if the Lloyd's Council was not to prove an institutional block against further reforms. Failure to make this change was one reason Mr Davison resigned from Lloyd's.

Nevertheless, there are a series of questions which neither the Neill report, nor Mr Davison, has addressed fully.

Under Mr Davison, for instance, very little real progress was made towards the goal of agreeing on a market-wide strategy for using information technology to improve the business efficiency of Lloyd's.

Neither was there any conspicuous attempt to ask searching questions about the commercial future of Lloyd's, at a time when its old core business of marine and aviation insurance showed few prospects of growth and many of its ventures into non-marine insurance, especially in the US, had been unsuccessful.

This was not Mr Davison's fault. At Lloyd's, he was limited by the specific role which the Bank of England had set out for him, as the accountant charged with guiding the mandarins of Lime Street through long-overdue regulatory reforms.

But—as the smoke starts to clear around the Neill report—Lloyd's and the outside world should, perhaps, be focusing more on the commercial than the regulatory issues surrounding the future of Lloyd's. There are certainly few signs that the Lloyd's powers that be are actively trying to aid this process.

This spring, for instance, the Government proposed a far-reaching change in the tax treatment of Lloyd's, which is soon to be debated in parliament. Yet so far, the only informed public discussion of the issue has been generated by the press, or by a handful of relatively prominent Lloyd's underwriting agencies. It is still the same small group of forceful personaltities at work.

What Lloyd's needs to do now is to stimulate in public the kind of open and democratic intellectual discussion of the key issues facing its own business—insurance—which is now routine in the rest of the financial services industry.

Nick Bunker

Men and Matters

Peering ahead

With an unusually large batch of more than 80 MPs having retired from the Commons at the general election, there is much jostling for inclusion in Mrs Thatcher's dissolution honours list.

One who seems to have jumped to the front of the queue is Geoffrey Rippon, one-time Cabinet minister and long-time wet. Rippon, president of the Association of District Councils, heard several delegates to the annual meeting in Cardiff yesterday refer to his move to the Lords next month as a matter of fact. One delegate even called him the Lord President of the Association.

The rotund Rippon, with suitable modesty, described how he had grown old and grey in the service of the government. Inwardly he must have been hoping that Mrs Thatcher, in whose hands the list rests, does not take umbrage at the delegates' premature congratulations.

In the act

Ireland came in from the diplomatic cod yesterday during a quaint little ceremony in the private offices in Rome of Giulio Andreotti, the Italian foreign minister.

Having secured a 70 per cent majority in the recent referendum in favour of Ireland's ratification of the stiffly-titled Single European Act, Brian Lenihan, Dublin's deputy prime minister and foreign minister, formlly deposited the equally starchy "Instrument of Ratification" with the Italian government—the custodian of all European Community treaties.

Sitting opposite each other cross a green-baize table in Andreotti's tiny salon, the two ministers acknowledged that the last obstacle to the introduction—six months behind schedule—of the Single Act on July 1 had now been removed. With this promise of a further development in the Community's policies and decision-making process, all was as much sweetness nd light as coud be expected at 8.30 in the morning.

Lenihan acquitted himself well for a man who improves as the day grows long. Andreotti, by contrast, likes to be in his stride while the lark is still rubbing steep out of its eyes. The encounter was already his third appointment of the day.

High hopes

A Sydney property company and a local architectural firm want to build one of the world's tallest skyscrapers near the famous Harbour Bridge in the city's central business district.

The building would dwarf the Centrepoint telecommunications tower, currently the highest structure in the city, and would rise well above the 93-storey Skytower proposed last month by the Perth businessman, Alan Bond.

Although the height of the new building has not been fixed, it is likely to soar 110 storeys to around 440 metres, about the same as the Sears Tower in Chicago, the world's tallest building.

Instead of a central concrete core, the building is expected to incorporate external steel frame technology of the sort developed for use in offshore oil rigs. Probable completion date would be 1992.

Discussions have been proceeding for a year, but approval for the project, codenamed CBD-1, is still being sought from local authorities. Its proponents, developer Pennant Properties and architects Stephenson Turner, will brief the New South Wales state government next month.

The building will provide 140,000 square metres of office space. The developers also wish to include a 500-room hotel in the precinct.

"Will this postal ballot give us a first past the post decisienence and for all?"

The site itself is owned by the state government and Catholic Church and controlled by the Sydney Cove Redevelopment Authority. It is currently occupied by a school, convent and other institutions, with St Patrick's Church and Davis Cottage nearby.

As the latter are historically important to the church, the developers propose to restore the buildings and place them in a landscaped garden setting.

No answer

Telephone answering machines are big business. Sales in the US alone this year are expected to total $367m.

But there is more to them than mere money. Sociologists in North America are already arguing whether the interjection of a machine into person-to-person relationships is a good thing or not.

Some users claim the machines protect them from time-wasters; others say that they get depressed if no messages are left for them.

Police in some areas believe that burglars find the machines a useful indication of whether a house is empty.

There is widespread agreement, however, that the most difficult thing about the machines is actually talking to them. So it should be no surprise to learn that the latest gimmick in the US and Canada is to give your machine more personality with a special tape.

For around $13, you can have a Humphrey Bogart sound-alike answering your callers with a new version of his lines from Casablanca—"Of all the answering machines in all the gin joints in all the towns in all of the world you had to call this one..."

Humorous hellos in the style of Groucho Marx and Bob Dylan are apparently popular as well.

Those who really have no wish to talk to their callers on the other hand, can make their machines sound even more unfriendly with a greeting from Count Dracula, or a snarling dog.

Home service

British Rail is certainly getting there. A colleague reports that one night this week, as the sun was sinking below the yard arm, the driver of his commuter train announced over the public address system in a broad Irish accent: "Here is a special announcement for the gentleman who's had a couple of jars. The train is now approaching Harpenden station; the next stop is Harpenden; I repeat for the gentleman who's had a couple of pints. . . ." The gentleman—in City fig (not my collegaue, I hasten to ard) acknowledged the special service with a friendly wave as he stumbled from the train and headed towards the station exit. Now that's what I call service.

Observer

INSTEAD of the upsurge in demand for sterling which some had expected after the elections we have had erratic fluctuations.

The Bank of England should have been able to make considerable sums of money out of recent fluctuations; and it has nothing to lose by publishing its profits and losses. This is the best way of making the case for some currency intervention to supplement more basic policies.

More worrying has been the fact that these currency fluctuations have been accompanied by the re-emergence of inflationary fears about the UK.

For the present these fears are exaggerated, but they could become a reality in the absence of an exchange rate commitment to which all the Prime Minister's so-called instincts are *vehemently opposed.*

Basically, if sterling looks like remaining in the upper half of the DM 2.8 to 3.00 range, there will be no long-term danger of an inflationary take-off. But the cost of preventing this take-off may be unnecessarily high, because business may mistakenly believe—in line with many *forecasters—that sterling will* depreciate in the medium term sufficiently to absorb a differentially high rate of British inflation.

So long as West Germany remains a bastion of sound (or even oversound) money and the anchor for European countries with which well over half British trade is conducted. It is the sterling-DM rate—not bank lending or the money supply—which holds the key to British inflation prospects.

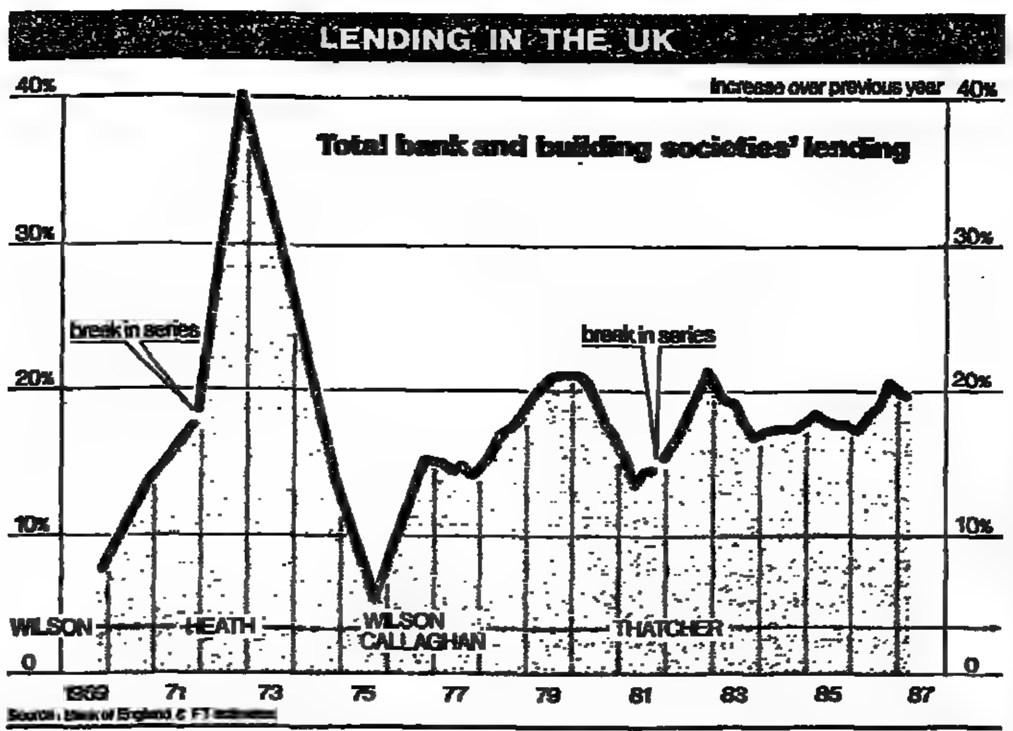
I am not falling into Charles *Goodhart's trap — into which* he says the Treasury has fallen —of jumping from the extreme of supposing that only "M3" matters to the extreme of being indifferent to its growth rate. What I am saying is that at a time when the velocity trend is anyone's guess, the sterling-DM rate will give the best single clue to whether or not UK money and credit expansion are excessive. The rest of this article is but commentary on this proposition.

The very latest inflation *indicators have been, contrary* to some City belief, not that very alarming. The large rise in broad money in May was mainly due to Bank of England purchases of foreign currencies for the reserves, which were not immediately offset by debt sales. The Bank was in effect counteracting strong *deflationary* pressures which would have arisen had sterling been allowed to rise too high. As far as bank lending is concerned, the May increase was no different from the average *of the previous six months.*

Economic Viewpoint

Some bad reasons for worrying about credit

By Samuel Brittan



The CBI June survey suggests that fewer companies are planning to raise their prices than in any month since last November — even though more firms are expecting to increase *output than at any time in the* last ten years. But it would be foolish to dismiss an inflationary threat on the basis of a one-month change in between the CBI's main quarterly surveys.

Some further illumination is provided by the first quarterly GDP figures. These show a rise of 3½ per cent in real GDP over *the first quarter of 1986 and a* rise of 6½ per cent in GDP at current prices, otherwise known as Nominal GDP. The GDP deflator — or internally generated inflation — is *roughly* the difference between these two numbers and rose by 3½ per cent.

But again, beware of false reassurance. For the GDP deflator incorporates the once-for-all effect of last year's fall in oil prices and may be a misleading guide to the future. Rather more worrying is the new upward creep to 7½ per cent in the *Department of Employment's* estimates of the underlying rise in earnings, which had remained rock solid at 7½ per cent for half a decade.

The growth estimates are usually revised upwards. The CSO suggests that, after all the revisions, Nominal GDP growth will most likely turn out to be nearer 8 per cent and real growth nearer 4 per cent. *Nominal*, and perhaps even real growth are more likely to accelerate than to slow down. The remarkably low number of *businesses complaining of excessive stocks* is a pointer here.

Quite apart from the difficulty of forward projection, we have no means of knowing how fast a growth rate of either nominal or real GDP is consistent with *low inflation.* The optimists can point to the underlying increase of productivity—the exact size of which is disputed — and the slack represented by high unemployment, and the pessimist can say that on past experience, together with evidence of capacity constraints, real growth of anything above 3 per cent is liable to be *inflationary.*

Faced with this uncertainty, there is much to be said for the hint in the recent report of EC experts about relying on the exchange rate as the main counter-inflationary constraint. Nominal GDP is still required as the best yardstick for monetary policy at the Group of Seven or EC levels and also at the level of the EC's key currency member, the German Federal Republic. It will come into its own in the UK level, too, once we have a better idea *of the productivity trend and* the levels and rates of change in unemployment consistent with non-inflationary growth.

Readers will notice that I have not based my analysis on the growth of credit. Even in a leading financial centre such as London, there is a widespread superstitious fear of lending and credit, which are perfectly rational ways for households to even out their spending over time and for businesses to draw upon surplus savings elsewhere in the *economy.*

Of course, there can be too much credit, as of anything else. But much alarmist writing is vitiated because it simply throws large absolute rates of increase at readers without any *indication of the denominator* to which they rely. The accompanying chart remedies this defect by plotting comprehensive figures for the *percentage annual rate of increase* of bank and building society credit combined (avoiding double counting of bank lending to building societies and taking account of the Bill *leak*).

The rate of growth of total lending of just under 20 per cent in the first quarter of 1987 was only one percentage point above the average of the last eight years. It bears no comparison with the 40 per cent or so increase at the peak of the Barber boom—an estimate which is in the right ball *park despite the break in the* Bank of England series.

Credit growth was actually higher in early 1980, at the onset of a severe recession and *disinflation, than it was in early* 1987. So far from accelerating, the growth of lending actually fell by about one percentage point in the first quarter of 1987; and initial indications point to a slight further decline this April and May.

When Polonius said: "Neither a borrower nor a lender be," he was thinking of prudential risks, not inflationary ones. There may be disquieting features about the growth of credit in the last few years, but the main worries are prudential.

The Chancellor is too quick to dismiss the growth of personal indebtedness on the grounds that personal financial assets have grown even more. The snag is that mortgages and *loans to the personal sector are* nearly all fixed in cash terms. The dwellings, which constitute the overwhelming proportion of personal assets, are price volatile and vulnerable to any setback to property values.

If the whole structure were to crack, and people were unable to service their mortgages on a massive scale (the *signal for disaster in Apocalypse 2000)*, the dangers would be more those of slump and contraction rather than of inflation. But as I read it, the Bank of England's analysis of household debt does not signal more than an amber light so far.

Inflationary threats are not prudential ones. They arise because total demand in the economy is growing too quickly or because the exchange rate—the most important price in the economy—*is* falling too far. *Monetary and credit expansion* are important as contributory factors to the growth of demand. If demand growth does not exceed safety rates, and if sterling is strong, I cannot see what special problem is created by the growth of one component of demand financed by credit.

A reason why some people worry about credit-financed spending is that they fear that it is financed by creating money. This takes us back to the fact that there are now four official definitions of money, showing annual rates of increase varying from 4.4 to 18.9 per cent, and that the velocity of the most rapidly rising measures has fallen sharply. The difficulties of *interpreting the monetary data* are not removed by shifting concern from the liabilities side of the banks' balance sheets, represented by money, to the assets side represented by credit.

A related worry is that credit-based spending is not offset by genuine savings. But a lot of it is, even if the savings take place at a different point in the economy.

Investment and savings are always, of course, equal by definition in statistics of the past. *The problem arises when* this equality is brought about either by a current payments deficit (which counts as negative investment) or by a rising rate of inflation.

There is little sign so far of either. The £1.1bn current payment deficit for 1986, about which I was always so sceptical, has been revised down to £0.1bn; and in 1987 *so far* there has been a surplus. The underlying rate of inflation has been stuck at about 4 per cent for a very long time.

Let there be no misunderstanding. Demand management can never be exactly right; and there is now more danger of excessive than of deficit demand growth. But the extent of the risk can only be gauged from the movement of total spending and/or sterling, not by a fixation on the credit and banking figures considered in isolation.

JOE ROGALY

Teaching the French way

ONE OF the reasons why the French are superior is that their publicly funded schools are better. *In fact* they are so very much better than ours that it is hard to imagine any process of reform—even the plan put forward by Mr Kenneth Baker, the Education Secretary, to set up a national core curriculum rather like the one in France—that will enable us to catch up with them in anything less than a generation. Not everyone *agrees with this. I was in deep* trouble with my own offspring after writing in these pages the other day that around the time they were at primary school I had formed the moderate view that British teachers in state primary schools were criminal lunatics. A few days later I fell into a gaggle of middle-aged ladies and gentlemen, all of them Her Majesty's Inspectors of Education, who let me live, but first made it clear that they are of the firm and united opinion that standards vary.

This is, of course, true. But listen to what happens in a small French school, as described in a long letter from an Englishwoman who has settled in rural France. The first page that fell out of the envelope was a menu for the "Restaurant d'enfants" for May 1987. It was decorated with freehand drawings of a butterfly and local flora. Something a little different each day — on the 7th, for example, sardines, followed by *Poulet, Haricots Verts, and Yaourt aux fruits* — and on the 15th *Carottes ra'pees Poisson Pane, Riz Pilaff* and *Patisserie*. Comparisons with our own school meals are too painful, yet what is even more agonising is the realisation that at the age of six most of these deliciously fed nursery school children have already more or less learnt the alphabet, in printed and in cursive form, can write a few phrases, and know some numbers. "But most important of all, my correspondent adds, "their attention span has been extended from two minutes to 20 — they have learnt how to learn."

At the primary school, her son, aged seven "is at home in French tenses I do not even remember learning for A level and as for the detailed grammar, it is more technical than anything I ever learnt even in Latin." He is also be*ing taught history, geography,* general science, and further stages of arithmetic. The teaching is systematic, and backed up by homework. Parents are expected to hear that day's poem recited, or to join in writing out the four times table.

Of course, some British schools and British parents behave in much the same way. But look at the recent report on Brent by Her Majesty's Inspectorate (HMI). Contrary to widespread belief, this does not really castigate the borough *for its teaching on matters of* sexual behaviour or ethnic origin. It does, however, find fault with the quality of teaching, and points out that, "as for the country more generally" (HMI's observation), under-5s in infant classes are not well served "largely because of a lack of appropriate adult guidance and suitable practical *activities.*" Imagine a letter from a Frenchwoman who has settled in England; would she not write of the past three years, during which children are sporadically told not to come to school, or sent home, because of something the English, in their incomprehensible way, call "industrial action?" Would she not write, *more feelingly than the* inspectors, of, in their words, "inadequate planning and organisation of books and equipment, by heads and teachers?" Perhaps it is more likely that she would have withdrawn her child from British schools long ago.

For in France parental involvement is part of the culture. Textbooks with "smart, sophisticated, doubtless psychologically correct" holiday exercises designed to help the children as they move up a class are on sale in bookshops and news kiosks. "Education is taken very seriously indeed in France," writes my English expatriate correspondent, "and the last two weeks of August will be ruined for many French children as their parents nag them to complete the exercises in those books." Naturally, the teachers co-operate. Eat your heart out, Kenneth Baker.

Letters to the Editor

The making of managers

From Mr D. Fagandini

Sir, — *Your fine editorial* (June 20) regretting the passing of yet another part of industry into foreign hands, leads us nowhere unless read in conjunction with the recent MSC & NEDO reports of "The making of managers." Of all the skills of which we have deprived ourselves these past 100 years with our unique edu*cation system, that of the con*joint management of men and assets is the most obvious. Inner cities, academic research programmes, Wimbledon flops and a gradual loss of standing in high-tech industry are but the overt manifestations thereof.

The drive to import management skills from France, West *Germany, Japan, the US and* even Italy will doubtless have its desired effect in due course. The undesired effect will be to export the decision-making processes implicit in the planning of basic research and industrial strategy. That will be done, increasingly, where the skills we so badly ned now reside. Unless, that is, we wake up and begin to use the latest scientific advances in information technology to speed up the process of education and training. The greatest contribution our academics could make to their own salvation would be to do just that, quickly.

D. A. A. Fagandini.
6, Alleyn Park, SE21.

Student skills

From Mr P. Copping

Sir,—Peter Wright's interesting piece (June 15) on the barriers to developing students' personal transferable skills neglected three factors which, in my view, *outweigh those he* identifies as imprecise objectives and the dominance of the discipline. Interestingly enough these neglected factors are exactly those which the MSC has taken into account in developing its "enterprise" programme for the YTS. All three concern the process rather than the content of education.

The first is that the claim to some personal transferable skill, like problem solving or co-operation with others, and even its certification in a reference, or more usefully a profile, is much less convincing to an employer, in my experience, than the achievement of some goal which incorporates the skill. So the interviewer says "you say you can persuade people . . . well what have you done that shows that happening?"

It follows that all levels of education need to provide the opportunities for students to develop the skills of action or enterprise, as the MSC terms them, by being involved indivi*dually* or in groups in displaying imagination, making decisions, managing resources, carrying the project through and evaluating the results. The process of learning needs to be student-centred in this sense to produce the evidence of the skills required "in action."

The third factor is that this is unlikely to be achieved by teaching methods which are basically "tell and show" which stress the reproduction of knowledge rather than its use.

Already of course in schools the GCSE is attempting something of the programme suggested here and it is likely to *spread to the GCE A level*, and with MSC support, into higher education. Such activities, however, are not cheap, require a good deal of development of material and staff development, and if they are to be consistent with maintaining high "academic standards" require the more precise definition of the objectives of these which Peter Wright was calling for.

Peter Copping.
70 Cromwell Ave
Manchester.

Inner cities need incentives

From Mr A. Hollway

Sir,—While there is general agreement that more needs to be done for inner cities, the Government seems unable to suggest anything more imaginative than continuing the plethora of grants and hand-outs to various bodies, companies or specific projects.

Grants are expensive to *administer*, are unfair competition and increase the taxation on other companies. They are wasteful, because government has never been good at picking "winners" in the past. Besides, grants tackle the symptoms and not the causes of inner-city decline, though that is another story.

A fiscal approach would be a more cost effective way to help inner cities. For instance, a reduction in national insurance contributions for companies as well as indvduals in specific city areas. Alternatively raising tax thresholds in these areas or reducing business rates. The latter smacks of enterprise zones, though may be effective if only a proportion of the rates. There could be stepped reductions as more prosperous areas are reached, thereby avoiding a barrier effect, discouraging com*panies from boundary hopping* to ease their taxation.

Admittedly, it would be a form of discrimination, over a period of years, between tax*payers* in one part of the country and those in another. But it would have the effect of *pumping more money into the* local economy and stimulating demand. Instead of the prospect of endless subsidies, without tangible improvement in the economic prospects of many inner-cities areas, there would at last be a real incentive to the individual to make local investment decisions, which will encourage natural regeneration, create "real" jobs and bring back pride to individuals.

Alan C. Hollway,
W. F. Hollway & Bro.
42 Grafton St,
Liverpool

Policy on mergers

From the Chairman,
Wider Share Ownership Council

Sir,—Mr Barry Legg (June 18) hopes that the new team at the Department of Trade and Industry wil abandon the review of law and policy on mergers and restrictive trade practices *instituted by its predecessors* last year. I sincerely hope it will do nothing of the kind.

It is important to make a distinction between two rather *different types of operation.* The term "merger" is conventionally used to describe an amalgamation of two companies agreed by both boards of directors and shareholders whom they represent. The terms of *such* a merger, normally where one of the companies is larger than the other, may well justify it being described as a takeover. In all *this* there is nothing very controversial; shareholders may not, in fact, benefit, but all the parties concerned believe that they will.

The takeovers which Mr Legg has in mind, however, are of a very different character. These are the contested takeovers, and to them there are a number of formidable objections. They inhibit productive investment, research and development. They distract management from its proper tasks. They create or exacerbate conflicts of interest between directors and shareholders. They encourage insider trading. They waste enormous sums of money. Most seriously, perhaps, they create the impression that the City is nothing better than a jungle where predators and speculators thrive while the small investor is ignored. All too often, to quote a *Conservative speaker* in a recent House of Lords debate, they appear to be simply examples of personal megalomania masquerading as corporate efficiency. And there is no good evidence that they benefit shareholders as a whole.

Nothing of this is conducive to the development of a responsible share-owning society.

Edgar Palamountain,
94 St Paul's Churchyard, EC4.

Retailers' margins

From Mr R. Millinship.

Dear Sir,—I note with interest your coverage (June 18) of the FT retailing conference, in particular the need to attain a target 30 per cent ROI on any new project.

Surely the margins that retailers obtain from superstores have far more to do with volume throughput than per cent markup on the goods: what other industry sells its inventory for cash within days of receipt and then has 60 days to pay its suppliers? It is quite feasible for retailers to sell goods below cost in such circumstances and still make adequate returns.

Perhaps it would be more apt to compare superstores to the High Street Banks rather than an enlarged version of the corner shop.

R. J. Millinship,
20 Cadland Court,
Southampton.

Floating tourist centres

From Mr P. Keen

Sir,—The article (June 22) about the Oriana's future as a floating tourist centre at the *Japanese resort of Beppu* suggests new marketing opportunities for British companies, especially those producing luxury goods. You draw attention to the permanent exhibits presenting life aboard the Oriana with its British immigration officer and photographs of the crew and passengers at play. What better setting then for *shops* filled with English bone china, Sheffield cutlery and English wools and other fabrics? Perhaps some of our leading names might even invest in a shop to themselves.

Paul H. Keen.
22 Taptonville Crescent,
Sheffield.

Sharing the cake

From Mr J. Lloyd

Sir,—*I* am sure that *David* Collison is right (June 22) to suggest that "a large cake unfairly shared may lead to a smaller sum of happiness than a smaller cake" In the real world, however, the option is generally between the unfair sharing of a large cake or the unfair sharing of a small cake, and what is "*unfair*" is a matter of subjective judgment.

John Lloyd.
Rosemoor, Walwyn's Castle,
Haverfordwest, Dyfed.

FINANCIAL TIMES

Thursday June 25 1987

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Wellcome defends its AIDS drug pricing

ALFRED SHEPPERD, chairman of the Wellcome Foundation, is in charge of the only drug available against the killer disease AIDS. It is a gratifying position, but it puts him in the crossfire.

Retrovir, otherwise known as AZT, is not only the single hope for AIDS sufferers, it is also exceedingly expensive, at around $8,000 for a year's treatment. These two facts have inevitably prompted charges of greed and profiteering, with the hostility strongest in the US, where by far the bulk of the drug is sold.

Shepperd is deeply sensitive to the charge, but finds it hard to refute. To argue the case publicly would mean going into details of costs and pricing which are traditionally so sensitive for the drug industry that the company cannot bring itself to break its habit of secrecy.

Reading between the lines, though, it seems that profit margins on the drug are if anything lower than some others in the Wellcome portfolio. Zovirax, for instance, is *Wellcome's biggest-selling product* and the only drug available against another viral disease, herpes. It costs roughly the same as Retrovir, unit for unit, but Retrovir, with a very complex *sixteen-stage* manufacturing process, is the more expensive drug to make.

Talking to Mr Shepperd, one also

Alfred Shepperd explains to Tony Jackson the problems Wellcome is facing in trying to develop its AIDS drug Retrovir

forms the suspicion that the pricing of Retrovir was in practice so difficult as to be almost a shot in the dark.

Mr Shepperd begins with the conventional arguments of the drug industry – that only one candidate drug in 10,000 makes it to the market place, that on the basis of winners paying for losers the average *drug costs $100m to bring to market*, that effective patent life for a new drug is eight years and falling.

"All these complications are things you have to recover from the market. But actually arriving at a price is a delicate business. With Retrovir, we set a price which was evolved in the US from marketing views, and then tried to translate that to other markets. Exchange rates have changed things since, but in principle we wanted a common price".

So what were these marketing views? What, for instance, were the sales projections? "We've found it very difficult to tell ourselves we've got a handle on sales projections for Retrovir.

"The figures for AIDS cases notified to the World Health Organisation are around 52,000, and half of them are dead. That doesn't include ARC (AIDS-related complex) cases, or seropositives. The US Centers for Disease Control reckon around 1.5m seropositives in the US, but we don't have a product licence for seropositives or ARC cases. We've got clinical trials going on to rush the drug to these markets as soon as possible, but we haven't got there yet".

So if not sales projections, what other factors were there? "Risk. If the virus were to go away overnight, we've made a very big commitment – including commitments to purchase of raw materials".

A figure of $80m has been quoted as the cost of R & D so far for Retrovir. "I don't know where that figure came from", Shepperd says. So what is the true figure? "I don't have it. But a very significant proportion of our R & D in the last couple of years has been on AIDS – we *had over 100 people working on it at* one time".

In addition, he says, there are a lot of clinical trials still to come. "That will be a growing cost, though we will be getting revenues by then to offset it. I've just authorised taking on more scientists in the US to hurry our clinical trials through. It's conceivable that we might spend as much again over the next couple of years as we have to date".

Shepperd also points out the difficulties of pricing a drug for which there is no precedent in the market place. Parallels from the past might include Tagamet, the pioneering ulcer drug from SmithKline of the US which came to the market ten years ago, and was the world's biggest selling drug until overtaken recently by a newer competitor, Glaxo's Zantac.

"There's a lot of intuitive thinking in this. In many cases, we have a market benchmark, but Retrovir is the exception. We are unable to build up a price with slide-rule precision, but I don't think anyone can *in the drug industry*.

"It's a novel compound and a ghastly novel disease, and who knows what's going to come at us in the way of competition? Though please God it does, from the point of view of society in the round."

The question of over-charging for the drug is in any case largely an American one, since in almost all other countries in the world drug prices are directly controlled by government. But even in America, there was a limiting factor.

"If we were to charge what appeared to be an enormously high price, there would in my opinion be a wave of public revulsion which would impinge on us in all sorts of ways."

In the end, he reverts to a plea for understanding. "Try not to fall into the trap I see everywhere – all the world asking questions based on long-term experience in the pharmaceutical industry, aimed at an unbelievably short track record on this drug and this disease."

Village that waits for its local hero

MRS GERTRUD Hoppstaedter (née Honecker) did not shake hands, but, with a hoe in one hand and a *bundle* of weeds in the *other*, this was not really surprising.

The sister of Mr Erich Honecker, the East German leader, was tidying her trim garden in the village of Wiebelskirchen in the Saarland where she and her brother grew up in the tortured interim Germany between two world wars.

Like any other pensioner whose family has been split up by fate, the widowed Mrs Hoppstaedter, sprightly, blonde-tinted and looking younger than her 70-odd years, apologetically described her brother as *"schreibfaul"* (lazy about writing). She said she had last seen him two years ago.

On Monday, with the sun illuminating Wiebelskirchen's winding streets and blurring the blemishes left by the area's run-down coal and steel industry, the scene was almost idyllic.

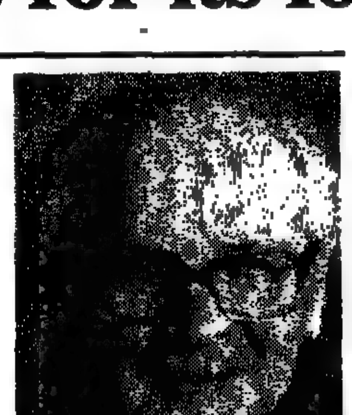
But, if Mr Honecker makes his long-planned trip back to his Saar birthplace this autumn, Wiebelskirchen, *maybe just for a few* hours, will be abuzz with security officials, police and cameramen – and Gertrud will have other things on her mind than tending the garden in her modest green-painted house by the Catholic church.

Mr Honecker, who will be 75 in August, has been in power in East Berlin since 1971. He first planned a visit to the Saar in September 1984.

The planned trip has been repeatedly put off in the past few years because of opposition in Moscow to what would be the first trip to West Germany by an East German leader.

In the past few weeks, Mr Honecker has made clear that he expects to come at last this autumn. But there is still a good deal of ner-

David Marsh, recently in Wiebelskirchen, reports on the on-off visit of East German leader Erich Honecker



vousness about whether the visit will come off.

The visit could be scuppered by any permutation of East-West political setbacks in the next few months – everything from the stalling of the US-Soviet arms talks to fresh disagreement about the status of Berlin.

The recent political debate in West Germany over the prospects for reunification – anathema to the East Berlin leadership – has probably not improved the prospects.

Although Bonn wants to do nothing to imply that it recognises Mr Honecker as a leader of an independent state, West German officials say that, for the moment, they think he will come. And in Wiebelskirchen, where TV crews were already on the streets three years ago to prepare footage, people are preparing with some reluctance for a possible resurgence of media attention this autumn.

Mrs Hoppstaedter, a member of the German Communist Party and still, no doubt, the object of discreet surveillance by both the East and West German intelligence services, has a reputation for not speaking to journalists.

On Monday, just back from a trip to *Luebben in East Germany* (the partner town of Mr Honecker's birthplace of Neunkirchen next door to Wiebelskirchen), she was friendly enough, although not disposed to have a long political conversation.

She hoped her brother would come "to bring people together." The East German representation in Bonn would be able to give more information, she added helpfully, before making plain she wanted to get back to her weeding.

Mr Klaus Hoppstaedter (no relation – the name is a common one in Wiebelskirchen), the Social Democratic Party chairman of the local district council, said the population was "relaxed" about the prospect of seeing Mr Honecker for the first time since 1949. The only outward preparation was the repainting – green, not red – of his sister's house three years ago.

In view of the shooting of East Germans trying to escape to the West, some local people wanted Mr Honecker to stay where he was, but probably most would recognise him as the leader of a legitimate East German state. "They are a little bit proud of their Erich," Mr Hoppstaedter added.

Up at the cemetery, set prettily among the rolling hills and disused collieries surrounding the town, fuchsias are planted on the grave of Mr Honecker's parents, which *would mark the emotional focus of* any autumn pilgrimage.

The melancholic green-coated gardener-cum-cemetery keeper, who says Gertrud keeps the grave well looked after, remarks with an air of doleful wisdom that whether Mr Honecker sees the tomb is will not be for the Germans to decide. "It will *depend on Moscow – just* like we depend on America."

"He has the right to see his homeland again," opines Mr Werner Zins, a 60-year-old retired colliery worker who says: "Erich Honecker has not forgotten the Saar."

Mr Zins, a communist, is chairman of the local pipe and drum band, which represents an extraordinary link with Mr Honecker's past.

The grey-haired East German leader was a drummer boy in the left-wing leaning band in which his father played in the 1920s. Broken up by the Nazis in 1935, it was reformed in 1909 with Mr Honecker *as an honorary member*. Now the only original player still alive, he sent a telegram to commemorate its tenth birthday in 1979.

In the complex political game that will decide Mr Honecker's autumn travel plans, Wiebelskirchen's wishes count for next to nothing. But if the local boy does indeed come back home, and if security considerations allow, Mr Zins, who plays the bass oboe, aims to lead out the band to welcome him.

S African squatters defeat council

A SOUTH AFRICAN court ordered a white town council yesterday to rebuild two black shanty homes it had demolished, a ruling hailed by civil rights workers as a breakthrough for the country's squatters, Reuter reports from Cape Town.

Anti-squatting laws had seemed to give the authorities unlimited *rights to knock down shanty towns* which have mushroomed due to an acute shortage of land and housing zoned for blacks under apartheid.

But residents of Lawaaikamp, who are fighting a year-old battle against removal from their long-established shanty town on South Africa's southern coast, took the town council of nearby George to Cape Town's Supreme Court and won their case.

Judge Gerald Friedman ruled that the council, which had reluc*tantly acknowledged Lawaaikamp's* existence, was not entitled to "take the law into its own hands" by knocking down two houses.

He ordered them to "immediately restore" the buildings and pay the costs of the case, which lawyers estimate could be about R20,000 ($10,000).

*A spokesman for the anti-apar*theid National Committee Against Removals said the ruling would make local authorities think twice before sending in the bulldozers.

"Informal settlements all round the country now have at least some legal ammunition behind them to question, if not resist, removal," she said.

"It will also give people some confidence in the judicial system, knowing that they are not just victims of apartheid laws but that they can challenge them."

The only Lawaaikamp resident who made the 400km journey to Cape Town to hear Friedman's ruling was 25-year-old Mr Mxolisi So*mandi*.

He said: "We're going to celebrate. It's a lesson to the (George) municipality that forced removals are un-Christian."

George's council was eventually forced to recognise the existence of Lawaaikamp's wood and sheet-metal shacks because of the lack of officially-zoned land in the area for blacks.

It wants to move squatters from the 40-year-old shanty town and put them on a new site out of sight of George, where most would have to rebuild from scratch.

The council demolished about 150 shacks last year.

Talks on EC airline reforms progress

BY TIM DICKSON IN BRUSSELS

NEGOTIATIONS on a key package of EC airline reforms intensified last night as Italy und Greece kept up their fight to limit the impact of *changes on their national carriers.*

Observers close to the talks indicated that there had been progress on some of the outstanding issues but that there was continued disagreement on several key areas.

One extra uncertainty last night was the position of Spain, which is worried by the possibility of cheap *flights to Gibraltar*, undermining its commercial interests in the southern part of the country. As a result it is seeking to exempt British territories airports from the final package.

Yesterday's meeting of EC Transport Ministers, which continues today, is considered *crucial* because the European Commission has threatened to withdraw its proposals by the end of this month and to break up the deeply entrenched European airline cartels by direct legal action in the European Court of Justice.

All member states are anxious to avoid what would be a long period of anxiety and confusion for the industry – but as yesterday's events illustrated, not for the first time, they seem equally hesitant about entering into a political deal acceptable to all parties.

The Commission's original proposals have been watered down many times. *However, the remain*ing sticking point in the compromise put forward this week by the Belgian Presidency of the Community centre on proposals to allow more airlines to compete on new and established European routes. There are three major problems:

- The most serious is the plan to open up more services between the major "hub" airports, and smaller regional airports.

Italy, Greece, Denmark and Spain are pushing for a large number of individual airport exemptions but the Commission says the list is too long and that Italy which wants to exclude the northern part *of the country, must be willing to* make further compromises.

- Another key part of the package is "fifth-freedom rights", or the ability to set down and pick up passengers at one destination before flying on to another. This is particularly important for the Irish and the Portuguese.

- Multiple designations. This is the right for more than one national carrier to operate on an established route.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	23	73	Dubrovnik	S	24	75	Malta	D	25	77	Rhodes	S	27	81
Algiers	F	25	77	Edinburgh	C	13	55	Manchester	C	16	61	Rio de J'o	C	28	82
Amsterdam	C	15	59	Faro	S	26	79	Manila	C	33	91	Rome	S	24	75
Athens	F	27	81	Florence	S	28	82	Melbourne	F	13	55	Salzburg	C	17	63
Bahrain	S	36	97	Frankfurt	C	18	64	Mexico City	R	26	79	San Francisco	C	19	66
Bangkok	S	35	95	Funchal	S	24	75	Miami	C	34	93	Seoul	C	25	77
Barcelona	S	24	75	Geneva	F	23	73	Milan	S	26	79	Singapore	F	29	84
Beirut	S	30	86	Gibraltar	F	22	72	Montreal	C	28	82	Stockholm	C	15	59
Belfast	S	16	61	Glasgow	F	18	64	Moscow	R	17	63	Strasbourg	C	16	61
Belgrade	F	24	75	Guernsey	Fg	15	57	Munich	C	16	61	Sydney	F	16	61
Berlin	F	16	61	Helsinki	S	22	72	Nairobi	F	21	70	Taipei	S	34	93
Biarritz	C	18	64	H. Kong	F	31	88	Naples	S	25	77	Tangier	–	–	–
Bombay	F	32	90	Innsbruck	F	20	68	Nassau	S	33	91	Tel Aviv	S	31	88
Bordeaux	C	19	66	Inverness	C	13	55	New Delhi	S	37	99	Tenerife	F	25	77
Brussels	R	15	59	Islamabad	S	41	106	New York	C	30	86	Tokyo	S	28	82
Budapest	F	23	73	Istanbul	F	24	75	Nice	S	22	72	Toronto	C	29	84
B. Aires	S	12	53	Jakarta	R	34	93	Nicosia	S	33	91	Tunis	S	23	73
Cairo	S	34	93	Jersey	C	15	59	Oporto	S	29	84	Valencia	S	27	81
Cape Town	F	17	63	Jo'burg	S	15	59	Oslo	F	15	59	Venice	S	24	75
Caracas	R	26	79	Lima	C	20	68	Paris	C	18	64	Vienna	R	19	66
Casablanca	F	24	75	Lisbon	S	26	79	Peking	C	26	79	Warsaw	F	19	66
Chicago	C	31	87	London	C	18	64	Prague	R	14	57	Washington	–	–	–
Cologne	C	14	57	Los Angeles	S	27	81	Reykjavik	C	13	55	Zurich	C	19	66
Copenhagen	F	15	59	Luxembourg	D	13	55								
Corfu	S	26	79	Madrid	S	29	84								
Dallas	–	–	–	Majorca	S	27	81								
Dublin	C	16	61	Malaga	R	18	65								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

European cellular links sought

BY DAVID THOMAS IN LONDON

BRITISH TELECOM is discussing a joint venture for the next generation of cellular telephone equipment with Alcatel, the French group which is the world's second largest telecommunications equipment maker, Motorola, the US cellular equipment manufacturer, and GEC, the UK electronics group.

A consortium involving these four companies would be a powerful presence in the European cellular equipment market, forecast to be very large in the 1990s.

Separately, Cellnet, the UK cellular operator jointly owned by BT and Securicor, the British security company, is at the early stages of considering whether to invite European telephone operators to take a stake in the network it will set up to run the next generation of cellular in the UK in return for it holding a stake in similar networks on the Continent.

This idea, if it came to fruition, would result in the first multinationally-owned telephone network in Europe.

Both these moves relate to the pan-European digital cellular network which European governments have agreed should be set up in *1991* on the basis of identical standards across Europe.

Several telecommunications companies have been discussing joint ventures to make equipment for this new pan-European network, which will create an equipment market worth £600m a year in the 1990s, according to one estimate.

Although these discussions are still fluid, two broad consortia appear to be emerging. Motorola and Ericsson of Sweden, the rival companies which are the world leaders in the manufacture of the present generation of analogue cellular equipment, are involved in putting together the separate consortia.

Motorola is talking to BT and Alcatel about forming a consortium, which might also involve other companies such as GEC. Motorola hopes that one powerful grouping capable of supplying Europe will emerge from these discussions.

THE LEX COLUMN

More a tip-toe than a tap

If it ain't broke, don't fix it. That appears to be the attitude of oil ministers from the Organisation of Petroleum Exporting Countries as they begin their biannual meeting. Doubtless the plan is to roll over the December agreement in time *for delegates* to do some Saturday shopping in Vienna. The markets would welcome such a non-event, which would keep prices, in the short term, at the current exalted *level of around $19 a barrel.*

But such mutual self-congratulation is not entirely deserved. From the producers' point of view, the increase in revenues has been an optical illusion. In the first six months of the year daily revenues have averaged about $280m, but when allowance is made for the collapse of the dollar, the producers' purchasing power is no greater than a year ago, when oil was at $12 and output was running high.

If the idea of pegging the price at *no* more than $18 was to stimulate demand for oil, then the plan has failed. At least $12 oil was taking market share from other fuels, as British Gas can testify.

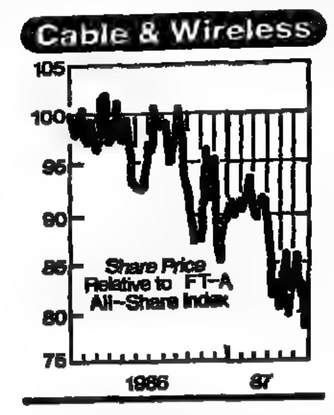
*The markets, too, are surprising*ly sanguine, given that Opec is now daily producing about 1.5m barrels over its agreed ceiling. While the quotas proposed for the second two quarters are on paper appropriate, they assume quite unrealistically that Iraq will join in the rationing: Iraq is already producing about 40 per cent more than its notional quota, and is preparing to open a new pipeline in the autumn.

Almost everyone is much happier than when prices slipped into single *figures. But the markets should be* more concerned that Opec might need a similar shock some time during the next 12 months.

Minet

Minet after PCW is one thing. The last 90 days have seen Minet's shares outperform the market by 30 per cent, an omen that investors have long since discounted yesterday's news from Lime Street, even if Minet still retains a residual risk *of last-ditch lawsuits from dissident* PCW Names. The more tantalising issue is the final shape of the long £680m run-off of insurance claims faced by Syndicate 9001 and Lioncover, the two Lloyd's bodies formed to carry the old PCW liabilities.

If US product liability and medical malpractice claims are a sizeable chink of them – and PCW was reinsuring property/casualty companies like Fireman's Fund of California – the run-off will be over by 2007. But a long-tail of asbestos losses could stretch out to 2050. The wide margins of uncertainty surrounding reserving techniques for US casualty business will make



PCW a textbook example for actuaries. They also mean that chairmen *of Lloyd's* may be answering questions well into the 21st century about whether PCW might eat up the Society's central funds if £680m proves to be too optimistic a forecast.

Cable & Wireless

Cable & Wireless' global digital highway is all very exciting, but share prices need more to sustain them than such long-distant prospects. Nor, judging by yesterday's *25p share price fall to 385p*, do assurances of underlying growth continuing at 20 per cent and Mercury moving into profits this year carry much weight with the City when earnings per share look set to be strangled.

With more than 100 per cent of C & W's trading profits coming from abroad, the UK making a small loss last year, it must be the worst-placed UK company when the pound rises. And although sterling's strength meant that pre-tax profits *at £340m were £34m lower than* they would have been at the previous year's exchange rates (which is the sort of daft calculation such companies are prone to) they were translated at a rate of $1.49, which is still some way short of the rate even before yesterday's dollar weakness.

Meanwhile the cash which contributed to the rise in interest and other income, from £14m to £46m, *is being spent* much more quickly than in the past. To cap it all the sharp fall in the tax charge last year is also likely to reverse, leaving earnings barely up on the most bearish forecasts.

This is all short-termism when the company is fundamentally as sound as ever: the shares' weakness may be a buying opportunity – but one which could last for quite a while.

Charter Cons

For Charter Consolidated the path from exotic investment trust to industrial holding company is a steep and rocky one, and shareholders may yet rue the day the journey was undertaken. Yesterday, however, the market was not in doubting mood and left the shares close to the prospective *sector rating.*

Why Charter should trade at a hefty premium to companies like Hanson Trust is something of a mystery; the asset-backing may be impressive but Anglo-American is hardly going to allow a Charter break-up, and its return on Capital is still at least 12 percentage points adrift of that 20 per cent goal.

Last year's better-than-expected recovery is attributable to loss reduction and the (unrepeatable) bounce back at Johnson Matthey. *The difficulties of sustaining even* respectable growth, particularly with a higher tax charge, are underlined by the flat performance of the operating subsidiaries where only manufacturing's returns were anything to boast about.

Even some of those companies where Charter exerts full control exude a certain passivity - waiting, for example, to benefit from British Coal's accelerated capital expenditure programme.

Much now hangs on how the cash pile is employed. The Anderson Strathclyde deal does not inspire confidence in Charter's acquisition skills, but there are a number of *fresh faces in the senior manage*ment and they now have a chance to justify that generous rating. Because they might also be tempted to do something about the no-man's-land holding in Johnson Matthey, that should remain a far more attractive investment than Charter itself.

INTERNATIONAL APPOINTMENTS

Retiring BankAmerica president quits limelight

BY LOUISE KEHOE IN SAN FRANSISCO

MR THOMAS COOPER, former president of BankAmerica, the holding company of the second largest US bank appears ready to keep his name out of the headlines for a while with a new position as chairman and chief executive of ISFA Corporation, a privately-held florida discount brokerage and insurance concern, formed five years ago, and now employing some 1,700 people.

"One of the advantages of working for a private company is that my compensation will not be published," says Mr Cooper, who earned over half a million dollars per year during his two years at BankAmerica.

Neither, Mr Cooper can assume, will details of his every word and move be publicly scrutinised at ISFA as they have been at BankAmerica, where he was responsible for a major cost cutting programme that included closing dozens of branch offices and heavy lay-offs.

Mr Cooper announced his resignation from BankAmerica last month and he will leave at the end of June. His move was, it has been suggested, prompted by a power struggle with the return as chairman and chief executive of Mr A. W. (Tom) Clausen, the long-time head of the World Bank, although Mr Cooper says that Mr Clausen urged him to stay.

"I wanted to participate in the financial services industry, in a growth-oriented company that can support the changes I believe are going to occur because of broadened competition and technology," says Mr Cooper.

At ISFA, Mr Cooper plans to expand the brokerage and insurance services that the firm offers through banks, savings and loans and credit unions.

Mr Thomas Cooper: retiring from BankAmerica to quieter place in Florida financial services group

Elders IXL reshapes finance side

By Gordon Cramb

ELDERS IXL, the Melbourne brewing and pastoral group which also ranks itself as Australia's largest non-bank financial institution, yesterday unveiled a reshaping of Elders Finance Group (EFG), its investment management and loan services arm.

When EFG was formed in 1984, Elders was hoping that de-regulation of the Australian financial sector would bring it a *domestic* banking licence, but negotiations with the Canberra authorities have failed to secure agreement. Instead, it has developed links in capital markets abroad, which the latest moves are designed to foster.

Mr Kenneth Jarrett, managing director of EFG, gains the title of chief executive and will also chair five new regional boards. Managing directors for these are Mr John Crosby (Australia), Mr Max Ware (New Zealand), Mr Brian Wagar (Asia), Mr George Ziller (Europe) and Mr Ravi Ravindran (US).

Mr Neil Sutherland is to head worldwide treasury activities and Mr William Payne is to take charge of strategy and development including acquisitions. The appointments, all internal, are described as part of a "new thrust into the international financial markets."

Baxter Travenol head moves to IC Industries

BY WILLIAM HALL IN NEW YORK

MR KARL D. BAYS, a leading figure in the US healthcare industry, is to take over as chairman and chief executive of IC Industries, a Chicago-based conglomerate formed from the Illinois Central railroad, on his having resigned as chairman of Baxter Travenol Laboratories.

Mr Bays, a ged 53, is succeeding the 68-year-old Mr William B. Johnston who has headed the IC group since 1966 and has been responsible for transforming it from a railroad company, connecting Chicago and the mid-West with the Gulf of Mexico, into a broadly based conglomerate, operations of which range from food and soft drinks to auto service shops. In the first quarter of 1987 it had sales of $1bn and net income of $28.9m.

Mr Bays' appointment surprised some Wall Street analysts because he was regarded as one ofthe leading figures in the US healthcare industry, where he has worked for close to 30 years. *He joined American* Hospital Supply as a sales representative in 1958, and worked his way up to become chief executive in 1971.

In 1985, Baxter Travenol launched a $3.8bn takeover bid for his company, and Mr Bays emerged as the chairman of the combined group. However, analysts noted that Mr Vernon Loucks, Baxter Travenol's chief executive, remained the dominant figure and speculated that Mr Bays missed his being in charge of day-to-day operations.

IC Industries is a smaller company than Baxter Travenol and appears to have had some problem finding a successor for *Mr Johnston who is presently* recovering from a stroke. Mr Bays, who joined IC Industries board just over a year ago, is well regarded in the business community and sits on the boards of Amoco, Delta Airlines and Northern Trust.

Although he has no experience of running a railroad (which IC Industries still plans to sell) analysts say this should not be a disadvantage since IC Industries *is in such a* variety of businesses that no single background would suit. Mr Jack Kelly, who follows the group for Goldman Sachs, says that IC Industries is a "well managed company," *and he expecs* that there will be no "dramatic change in direction" under Mr Bays. Mr Bays, whose appointment is effective from July 1, will continue to sit on the Baxter Travenol board, and Mr Johnston will continue to sit on the IC Industries board

Accountancy Appointments

Are you that very special one in a 100?

You are a very rare type of executive. Still young, you have enhanced your tremendous natural management ability with a good menu of specialist skills particularly in financial systems and a notable track record of success.

You thrive on challenge and change. Before colleagues have even recognised a passing opportunity, you will have taken maximum advantage of it.

Yet despite being already special, you know there is still a lot of capacity for personal skills improvement, and you crave an environment which will give you this wider experience and stimulus. Let's talk.

Our client, one of the fastest growing **management consultancies** in the world, is seeking exceptional people who can bring new perspectives to a wide range of complex business problems – and rapidly effect lasting solutions. People with high intellectual ability who can also operate as a member of a small, élite group.

Under 30 with a good First degree (an MBA?) and an appropriate professional qualification, you can earn up to **£40,000 plus car.** The future? Within 3 years, you will have the opportunity of a partnership.

We'll treat your application in strict confidence. Please write, with full C.V. to: John L. Thompson, Thompson Associates Ltd., Compton House, 20a Selsdon Road, South Croydon, Surrey CR2 6PA quoting reference: 1179

T.A.L.

THOMPSON ASSOCIATES LTD

FINANCE DIRECTOR DESIGNATE

East Sussex coast

c.£20,000 + Car + Incentive Package

Situated in a most attractive, historic, coastal location our clients are regarded *for the quality* of the electro-mechanical components they distribute on an exclusive basis throughout the UK.

Current and future growth indicate the prime need to appoint a Finance Director.

Reporting to the Managing Director, you will be responsible for the complete accounting function including upgrading and developing the financial and management information using computer based systems. You will become an integral member of the management team and be expected to play a highly visible role in the development of the corporate plan ultimately leading to flotation.

This appointment will be of considerable interest to qualified accountants seeking an exciting career opportunity within a £5m organisation experiencing dynamic growth.

The benefit package is negotiable and will be structured to attract and reward the determination, application and commitment seen as necessary to enhance the company's further expansion.

Please write with full CV to:

RONALD BRIDGES ASSOCIATES
EXECUTIVE SELECTION CONSULTANTS

Arundel House, 32 Arundel Road, Eastbourne, E. Sussex BN21 2BD

EXECUTIVE DIRECTOR
FINANCE

Drive Lex further ahead in Passenger Car Contract Hire

£30k–£36k + 2 cars + benefits + prospects

Lex Automotive comprises:

- VOLVO CONCESSIONAIRES
- LEX VEHICLE LEASING
- LEX BROOKLANDS
- LEX MEAD
- SHAW & KILBURN
- GILBERT RICE
- SMS
- TRANSFLEET SERVICES
- HARVEY FORK TRUCK HIRE
- LEX COMMERCIALS

Lex Automotive is one of Britain's most outstandingly successful automotive groups, increasing market penetration and leadership through growth and acquisition.

Lex Vehicle Leasing, which is a joint venture with Lombard North Central plc, is Britain's largest passenger car and light van contract hire company. With a current fleet of over 25,000 vehicles, the company is expanding by 25–30% each year. Even more ambitious growth is planned and this role within a high-powered management team is crucial to driving the company into clear market dominance.

We seek a Finance Professional who combines strong business acumen with strength of character and who relishes a broader challenge in a highly influential role. Reporting directly to the MD, your brief will be to control all normal financial activities and to influence directly the development of the business, including participating in the development and negotiation of full maintenance contract hire packages with Directors of major client companies.

The need is for a confident, articulate and commercially creative man or woman who will not only adapt readily to change but is early to recognise the need for it and eager to direct and manage it. Someone with the vision to identify opportunities for improvement and the personal credibility and assertiveness to implement them. A self-assured command of highly developed computer systems will be required.

This is recognised as a key, visible position within the group. The ambitious professional we seek, probably aged 30-35 with experience in first-class UK companies, will undoubtedly use the position as a career development move to a more senior role in one of the Lex companies.

Salary will be around £30k with the opportunity to earn around £6k through a performance related bonus. The package includes two company cars, BUPA and non-contributory pension.

In the first instance please write detailing why the experience and qualities you possess make you suitable for this role, to:
Richard Brewer, Director of Personnel,
Lex Automotive Limited, Lex House,
17 Connaught Place, London W2 2EL.

High Profile Finance Roles
...with a European Dimension

Camberley Area — **up to £25K + Car**

Established in California in 1982, Sun Microsystems has built a worldwide turnover well in excess of $300m and achieved a leading position in the international market for high performance work stations. The Company's success is based on a single-minded approach to product supremacy and the immense energy and commitment of the people who work for us. Internal career development has led to the need to recruit two high-calibre finance professionals.

Financial Planning and Analysis Manager

This is a critical role involving a high level of exposure to the business operations of the European subsidiaries and Corporate HQ in America – formulating business plans, analysing trends, monitoring individual subsidiary performance and providing advice to business managers.

You should be a graduate aged c30 with planning and analysis experience ideally gained within a hi-tech or other fast-moving environment.

European Accounting Manager

Your initial brief will be to develop common accounting standards and procedures and maintain the central accounting system. Longer-term you will be expected to develop a treasury function and to be heavily involved with establishing, and accounting for, new European subsidiaries.

Ideal profile is mid to late 20s, ACA, ideally with hi-tech experience or possibly as a first move out of the profession.

Both positions will be based in the European HQ with travel to European subsidiaries and the Corporate HQ in California. Candidates should have high levels of computer literacy in addition to the personal qualities to thrive in a dynamic and demanding environment. These are exceptional opportunities within an outstanding organisation.

Please send your CV, quoting reference 35055, to our advising consultant,

sun microsystems

Philip Bainbridge,
at MSL International,
Pilgrim House,
2-6 William Street,
Windsor, Berks SL4 0BA.
Tel: 0753 842044.

Accountancy Personnel
Placing Accountants First

Stoy Hayward

CAREERS IN CORPORATE FINANCE

Baker Street — **£Highly Competitive**

CORPORATE FINANCE is one of the largest growing, most exciting areas of public practice and as such can offer rapid career progression to technically strong, ambitious candidates.

Stoy Hayward have placed great emphasis on the development of their Corporate Finance and Investigations Department and are seeking to strengthen their team by recruiting candidates at all levels from recently qualified to manager level. All positions can offer *involvement in flotations, rights to issues, acquisitions, disposals,* Business Expansion Scheme Work, venture capital appraisals, viability studies and raising finance. Candidates should be professionally qualified with a highly developed commercial sense and the *ability to establish strong relationships with clients and professional advisors.*

For further details, please contact:
Fay Bishop,
Accountancy Personnel,
63/65 Moorgate,
London EC2R 6BH
Tel: 01-628 8525

Henderson Administration Group plc

ACCOUNTANCY CAREERS WITHIN INVESTMENT MANAGEMENT

EC2 — **£12-25,000 Packages**

Our client, fore-runners in the post "Big-Bang" investment management sector have grown impressively through planning, marketing and professionalism.

This progessive expansion has allowed the creation of a variety of exciting and challenging career opportunities for ambitious, competent accountants.

Whether you are part-qualified and looking for full study assistance and hands-on experience or are qualified (0-3 years PQE) and seeking the right environment to develop your career, the chance is yours now.

You will enjoy an approach that encourages performance, integrity and efficiency and you will gain exposure to both *mainstream accountancy and the specialised requirements of the financial sector.*

Remuneration includes non-contributory pension, free BUPA, bonus and some posts offer a fully expensed car. Previous investment exposure though useful is not essential.

For further details, please contact:
Accountancy Personnel,
307/308 High Holborn,
London WC1V 7LR
Telephone: 01-404 4581

Grant Thornton Chartered Accountants

MANAGER/ASSISTANT MANAGER

Petersfield — **£Excellent**

Grant Thornton is one of the UK's leading firms of Chartered Accountants and the Petersfield office, with 60 staff and highly sophisticated computer systems, has particular involvement with farming clients.

This challenging opportunity for a Manager or Assistant Manager offers excellent career potential, and demands management skills coupled with the ability to take an active interest in clients' business.

Candidates should currently be working in public practice and will ideally, though not necessarily, be qualified. Knowledge of, or a particular interest in agriculture is essential.

A generous salary *and benefits package will be negotiable.*

For further details, please contact:
Accountancy Personnel,
72-74 High Street,
Guildford,
Surrey
Telephone: 0483 64692

NORWICH UNION REAL ESTATE

PROPERTY ACCOUNTING

To £20,000 + Substantial Benefits

NORWICH UNION is a major British based group, operating principally in the world of insurance, investment and financial services. The Estates Division currently leads the UK's investment in funding commercial property development with a portfolio already exceeding £2 billion.

This high profile appointment ensures key member status within the management team for a qualified accountant familiar with the *accounting implications pertaining* to this important field.

The attractive remuneration package includes NCP and life insurance plan, mortgage allowance scheme, permanent health insurance scheme and relocation assistance to this, the country's fastest growing region.

For further details, please contact:
Accountancy Personnel,
Davey House,
Castle Meadow,
Norwich
Norfolk
NR1 3BY
Telephone: 0603 760141

HOUSE BUILDING MANAGER
(MANAGING DIRECTOR ELECT)
required for recently acquired subsidiary of
RAINE INDUSTRIES plc

MILLARD HOMES is a highly regarded Tipton based housebuilding company operating in the West Midlands region, currently complet*ing around 140 dwellings per annum, and a significant opportunity* has now arisen for a person to head the Company.

The successful applicant will be responsible to the Main Board Housebuilding Director for achieving specific growth targets and overall profitability.

Candidates should be fully experienced and be able *to demonstrate* a track record of achievement in keeping with the requirements of this job. The ability to assess customer demand whilst relating to all key functions in the Company is vital to the success of this appointment.

We offer an extremely attractive remuneration and benefits package encompassing:

- ★ basic salary
- ★ bonus participation in the Group's share option scheme
- ★ company car
- ★ BUPA
- ★ pension and life assurance
- ★ relocation assistance considered

Please forward your written application, giving full personal and career details, including current earnings to:

Mr G. A. H. Thorpe, Executive Director
Raine Industries plc
Ashbourne Road, Mackworth, Derby DE3 4NB

FINANCE DIRECTOR DESIGNATE

Our clients who are a substantial firm offering professional services to the building industry are looking for a qualified Chartered Accountant to head the accounting and management information departments with a view in the short term to becoming finance director.

The successful candidate should be aged between 28 to 43 with at least 5 to 6 years post qualification experience either in the profession or commerce. The position is suitable for an ambitious and energetic individual who is looking to further their career.

Salary: circa £25,000 to £30,000 plus benefits.

Please send your CV to:
R. H. Kleiner Esq
Messrs Gerald Edelman
25 Harley Street, London W1N 2BR

Financial Controller
FOR BANKING AND FINANCIAL SERVICES GROUP

We are a privately owned group of which the principal operating subsidiary is a licensed deposit taker which will assume full bank status when the banking act is implemented in October. We are looking for a financial controller who would have overall responsibility for the accounting, reporting and management information, budgeting, forecasting and computer systems.

The financial controller would also participate in the assessment, selection and implementation of a new computer system over a time of 1½-2 years. Applicants must be chartered accountants and it would be an advantage to have a knowledge of banking systems although this will not be a pre-requisite for the position. The envisaged age group is 30-45. This position reports directly to the board of directors with the future possibility of a seat on the board.

Salary c£28,500 pa plus car and benefits.

Please write with cv to Managing Director
Box A0597, Financial Times
10 Cannon Street, London EC4P 4BY

Group Financial Controller
(Director Designate)

City — **Salary neg to £35K + Car + Benefits**

Our clients, leading independent international P&I Club Managers have, as a result of continued growth, identified the need to appoint a Group Financial Controller.

Reporting to the Group Finance Director, you will play a significant part in the control of the financial organisation, and the monitoring of performance of all the mutual Clubs under management.

Candidates likely to be aged 35 years of age, should be mature, graduate Chartered Accountants who can demonstrate specialist financial or insurance market experience gained in a commercial environment. Good personnel skills, and computer application *experience are fundamental requirements in this post.*

There are excellent opportunities for career progression to Board status with this developing group. If you have the requisite credentials, you should send a detailed CV, including current salary, to Don Day FCA quoting reference LM904 at Spicer and Pegler Associates, Executive Selection, Friary Court, 65 Crutched Friars, London EC3N 2NP.

Spicer and Pegler Associates
Executive Selection

Group Management Accountant

Negotiable c£15,000 + car — *Essex*

An opportunity for an unqualified or part-qualified Management Accountant who lives within access to the M25-A12 network, to join an expanding group of companies whose diversification into profitable and carefully selected areas has created an excitingly dynamic environment. Rapid growth and continued expansion has created great success and naturally the attendant pressures. This is a newly created post to *strengthen the existing highly efficient accountancy function.*

You will assist the Group Company Secretary in many of his Group Secretarial duties but you will have overall responsibility for the liaison, monitoring and internal auditing of selected Group Companies. Involvement in preparation of targets for all companies and group consolidated *monthly management accounts* will be another aspect of this challenging post.

You will be part of a well knit and efficient team where diligence, hard work and loyalty are recognised and rewarded.

Write with brief cv to Sheila James, at PER, 1 High Street, Chelmsford, Essex.

PER
Britain's Largest Executive Recruitment Consultancy

Finance Director

Major Publishing Group
London
c £40,000+bonus+benefits

A major publisher of consumer magazines in the UK, seeks to appoint a key financial executive to head the finance function of this reputable group.

Based at the corporate headquarters in London, and reporting to the Chief Executive, your brief is to lead a well motivated finance team in maximising company profitability and achieving corporate growth through well planned fiscal initiatives.

You will have a major input into financial policy matters and as a Board member be expected to interpret financial trends and advise on all financial matters.

We are seeking a commercially aware, qualified accountant with extensive experience of controlling staff and operating at Board level. Applicants must be computer literate and have a track record of sound financial decision making.

The rewards package, in addition to the salary, includes a performance related bonus, quality car and the usual benefits associated with a high level appointment.

We will fully respect the confidentiality of any initial approach from those interested in discussing this appointment further.

Alternatively please submit a full CV, including details of current salary and quote reference MCS/5084 to:
Barrie Whitaker
Executive Selection Division
Price Waterhouse
Management Consultants
No. 1 London Bridge
London SE1 9QL

Price Waterhouse

WINDSOR

Hill Samuel Investment Services
If you've got what we want we can provide you with a unique opportunity.

We are seeking men and women with financial or sales experience to work in the Berks, Bucks, Oxon and Hants areas based at our new Windsor offices.

Full training and support is provided to enable you to promote the full range of our renowned products.

Please write enclosing full CV to:

M. Mackusick
HILL SAMUEL INVESTMENT SERVICES LIMITED
50 Pall Mall, London SW1Y 5JQ

RECENTLY QUALIFIED
£20,000—WEST LONDON
+ PARTNERSHIP PROSPECTS

Dynamic young practice seeks a first class ACA with one or two years PQE. The position will involve a mixture of audit and general practice work. This is an excellent opportunity for a determined first class young applicant. Please call David Paton on 01-734 4836 or (Redhill 762094 evenings). Alternatively write to:

FINANCE RECRUITMENT,
Grafton House, 2/3 Golden Square,
London W1 (Ref. 313)

Audit & Special Projects

ACA's-ACMA's-IT Specialists
c£25,000-£30,000 + Car

These 3 positions are in a newly formed elite team which will be based at the corporate centre of a £ multibillion international consumer product group. The team will be responsible for high priority and sometimes highly sensitive projects particularly focused on controls and information systems, the quality of management information, profitability and asset management. The Group, which has expanded rapidly, will be subject to further major change and the individuals in this team will have the pronounced stimulus of working up to the top level in the organisation.

Applicants should be graduate accountants or IT specialists aged late 20's to early 30's with experience in any of the following three fields: large scale audit or investigative work; the operation of industrial control systems and/or financial reporting in a marketing led consumer product group; or IT formulation and review. Sound interpersonal skills, the resilience to see a *project through and very high standards of written and verbal presentation are* essential. Success will open up opportunities for advancement to some of the key roles in the organisation. Location—West End.

Please apply in confidence quoting ref. L308 to:

Brian H Mason
Mason & Nurse Associates
1 Lancaster Place, Strand
London WC2E 7EB
Tel: 01-240 7805

Mason & Nurse
Selection & Search

Link your Future to Ours
Leasing/Asset Based Finance

A progressive and diverse international banking Group is seeking a Senior Executive to take over Marketing responsibility for its UK Leasing/Asset Finance company.

Based in the City, you will report to the Chief Executive responsible for Leasing/Asset Based Finance. Whilst predominately UK related, you will be encouraged to be innovative and develop cross border business.

Aged around 30, you will be working currently in the leasing division of a banking Group. You will have a minimum of 3 years experience in the leasing of capital equipment and a sound knowledge of the medium/big ticket market place. A strong marketing orientation is essential.

A competitive salary is offered, with performance related bonus, together with a car and usual bank benefits. Applications should be sent to Charles Earp of Cripps, Sears & Associates Limited, Personnel Management Consultants, International Building, 71 Kingsway, London WC2B 6ST. Telephone 01-404 5701.

Cripps, Sears

Accountancy Personnel
Placing Accountants First

FINANCIAL CONTROLLER for ADVERTISING AGENCY

WEST END **to £22,000**

Are you:
- A young recently qualified Chartered Accountant.
- Interested in establishing a career in advertising and marketing.
- Computer literate
- Seeking a career move

...Then our client would like to meet you! A leader in a vibrant specialist market, they wish to recruit a young Accountant with self motivation, ambition and innovation.

In addition to assuming responsibility for the day-to-day functions of the accounts department, you will also manage the development and integration of the company's computer systems.

Future prospects are inevitably linked to the company's success, and their recent record (which includes penetration of the US market) suggest a successful long-term career.

Applications should be sent to our consultant, Martin Humberstone. Alternatively, telephone him for an early appointment.

Accountancy Personnel,
63/65 Moorgate,
London EC2R 6BH.
Phone (day) 01-638 8091
(eve) 01-511 6318

ACCOUNTANTS
for a challenging environment
Major Financial Services Group

NM Schroder Financial Management Limited is an expanding group of companies providing an integrated and comprehensive range of financial services to individuals, partnerships and private companies.

The structure of the Group is changing; its management is dynamic and forward-thinking. To enable the Group to implement its future plans, a team of accountants is required, with various levels of experience, to plan and assist with developments and projects.

Amongst the positions to be filled are those of the Development Accountant and two Project Accountants. The work will be broad, ranging from financial involvement on systems developments to financial management of corporate projects, working alongside the existing financial and corporate management.

These positions will meet the career aspirations of accountants at all levels and will offer invaluable experience of the financial services industry. The remuneration package is excellent and, depending on the position to be offered, includes company car, mortgage subsidy and comprehensive relocation assistance.

Applicants who believe they have the ability to meet our requirements are invited to write to the address below with brief career details or a CV stating the level at which they believe they can contribute to the team.

Miss Jean Brooks, Group Personnel Officer
NM Schroder Financial Management Limited, Enterprise House, Isambard Brunel Road, Portsmouth, Hants PO1 2AW
Telephone: Portsmouth (0705) 827733

NM Schroder Financial Management
LIMITED

P&O Bulk Shipping
Chief Accountant

P&O Bulk Shipping Limited is the parent of a group of companies operating in the shipping market. Its principal activity is the operation of ships in the dry cargo and tanker trades, and the provision of ship management services to P&O and independent owners.

We are looking for an experienced Chief Accountant who will be responsible to the Finance Director for the parent company's finance function.

Particularly important areas of activity are:—

a) Supervision of the production of management and statutory accounts.

b) Assisting the Finance Director with project and finance related duties.

c) Monitoring the effectiveness of accounting and reporting systems in use.

d) Cash flow management.

You should be professionally qualified, with 5 to 10 years' post qualifying experience and be in your early 30's. Relevant experience should include the operation and development of computer systems and the ability to manage staff effectively. You should also be able to demonstrate an effective contribution to management in service related businesses in an international environment.

A competitive salary will be offered with company car and benefits package. If you can confidently match our requirements, write with full career history and details of current salary to:—

Mr C.R. Bollen, Personnel and Administration Manager, P&O Bulk Shipping Limited, Kent House, Upper Ground, London SE1 9NE.

1837 150 1987
YEARS

Chief Accountant

City of London **c£24,000 + car**

A challenging role has been created for *a qualified accountant aged 27-32 with strong commercial instincts to join a successful trading company—itself part of one of Britain's fastest growing plcs.*

Working with the Company Secretary you will manage a small department establishing new systems and will provide the Board and the group with vital management information. There will be considerable emphasis upon cash management including foreign exchange cover and negotiations with banks.

This is an excellent opportunity to impose your own management style on the department and to be a key member of a company that has achieved considerable growth and foresees continuing expansion in the future. Career opportunities with the group are therefore obvious.

Please write, enclosing a career/salary history and daytime telephone number, to John P Sleigh FCCA quoting ref J/614/BF.

Lloyd Management
125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

FINANCIAL CONTROLLER

SOUTHAMPTON **In excess of £20,000 + car**

Our client is a rapidly growing specialist distribution company. They have recently completed a major acquisition which has resulted in *the need to recruit a financial controller.*
You will be an ambitious qualified chartered accountant probably aged 28-35.

Further growth with the emphasis on acquisition is foreseen. In-depth investment appraisal experience would, therefore, be an advantage but not essential.

Reporting to the management director this is seen as a positive development role with excellent career prospects. You must, therefore, be able to display not just an impressive track record to date but the motivation and ability to progress quickly.

You will be responsible for all aspects of financial control. An immediate priority will be for you to upgrade the financial and management information using computer based systems. Previous computer experience is therefore a must.

This is a tremendous opportunity to join an expanding group at an early stage in its growth.

Please write with full career and personal details to:

David W. Breger
LIVINGSTONE FISHER ASSOCIATES LTD
Management Consultants
Acre House
69/76 Long Acre
London WC2E 9JW

LAWYER

WEST LONDON **CIRCA £25,000 + BENEFITS + CAR**

The Northern European Division office of this highly successful multinational Company is looking for an inhouse lawyer who will report to the Senior Legal Counsel for the Division. The main responsibilities will include counselling division and country management on legal issues, especially in the areas of Company law, anti trust, consumer law, contracts and competition. The Division is responsible for the Company's operations in the United Kingdom, Republic of Ireland, the Netherlands and Nordic regions.

The suitable candidate needs an excellent legal education with above average grades and will have been qualified in a European jurisdiction for at least three years. The candidate must have a willingness and readiness to deal with complex legal issues, an ability to work with meticulous thoroughness and professional understanding in order to arrive at sound practical solutions within a commercial environment.

The candidate should have three to five years professional experience in commercial legal fields with exposure to EEC legal concepts and preferably experience and interest in international legal issues. Ideally experience should also include litigation and complex negotiations, with involvement in the development of marketing, financing, joint venture and industrial property agreements. Outstanding communication skills, verbal and written, are essential. In addition to fluency in English, knowledge of another European language would be advantageous.

Coca-Cola

WRITE WITH A FULL CV TO JOHN WALLER
DIRECTOR OF HUMAN RESOURCES
COCA-COLA NORTHERN EUROPE PEMBERTON HOUSE
WRIGHTS LANE LONDON W8 5SN. TEL: 01-938 2131

ACCOUNTANT/COMPANY SECRETARY

Mellon-Pictet International Management, Limited is a rapidly growing international investment management company based in the City.

We want to appoint someone with accounting and company secretary skills to take responsibility for the following tasks:—

—Preparation and maintenance of the company accounts.
—Management of our compliance with regulatory requirements in U.S. and U.K.
—Management of our tax obligations and planning.
—Special projects related to new business development.

This is an interesting career opportunity for someone, probably aged 28-32, who is ready to take independent responsibility, as part of a friendly, hard working team. Remuneration to City standards.

Send your C.V. and a brief letter explaining the reasons for your interest to:
Mrs. H. Clarke
MELLON-PICTET INTERNATIONAL MANAGEMENT, LTD.
Cutlers Gardens
5 Devonshire Square
London EC2M 4LD

Director finance and administration

Papua New Guinea

C&L

Our client, Air Nuigini, is the national airline of Papua New Guinea. Air Nuigini operates domestic services to a large network of airports throughout the nation and international services to Australia, the Philippines, Solomon Islands and Singapore. The airline operates a range of aircraft types, including Fokker F28, De Havilland DHC7 and AB3 Airbus.

We are seeking a Director, Finance and Administration, to be responsible for the further development and management of the airline's corporate financial and administrative services.

The successful applicant will be a qualified accountant with senior financial management experience, preferably in an airline environment and have a sound working familiarity with international money markets, a strong commercial background and the ability to provide sound policy advice to the General Manager and the National Airline Commission.

An attractive salary package is offered which reflects the senior nature of the position and includes a generous salary, furnished housing, motor vehicle, gratuity, annual leave fares and access to airline industry concessional travel arrangements.

Please send résumés, including current remuneration and a daytime telephone number to Gregory T M Hinds, Ref. GH717.

Coopers & Lybrand Executive Selection

Coopers & Lybrand Executive Selection Limited
Shelley House 3 Noble Street
London EC2V 7DQ
01-606 1975

Appointments Advertising

£43 per single column centimetre. Premium positions will be charged £52 per single column centimetre.

For further information, call:

01-248 8000

Daniel Berry
Ext 3456

David Rhodes
Ext 4676

Tessa Taylor
Ext 3351

FINANCIAL PLANNING MANAGER

YOUNG QUALIFIED ACCOUNTANT
MARLOW, S. BUCKS
TO £23,000
+ 700 SERIES VOLVO
AND EXCEPTIONAL BENEFITS

Volvo Concessionaires is an important and *highly successful* subsidiary of Lex Service plc, the £1 billion automotive and electronic distribution group. As a result of promotion within the group the *opportunity* has arisen for a talented, commercially-minded Accountant to join a young finance team in this key role.

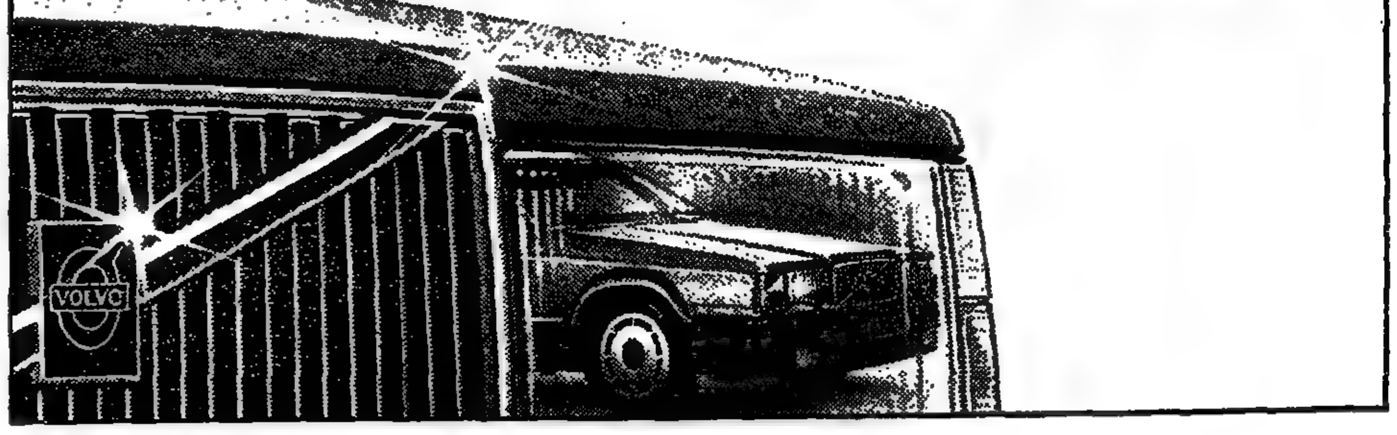
With a *small staff he (or she) will* be responsible to the Financial Controller for developing short and long range plans and for analysing and reporting on performance. The job and the Company's management style combine to provide high visibility with *non-financial management* and the opportunity to make a personal contribution to the Company's continuing success.

Direct experience is less important *than a sustained* record of academic and professional achievement coupled with very good communication skills.

Benefits include a non-contributory *pension* scheme, private medical insurance, 28 days' annual holiday, plus relocation if appropriate.

Write or telephone for an *application form* or send full details (with daytime telephone number and current salary) to our adviser, R.A. Phillips, ACIS, FCII, Phillips & Carpenter, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156 (24 hours). Please quote Ref: 1643/FT.

VOLVO



Global Village Reporting

Based Nr. Bristol — **High Prospects and Rewards**

Our client, a major division of a UK £2 billion-plus turnover group, is entering a most exciting growth phase. Operating throughout the world, it manufactures and distributes a range of high quality and sophisticated products.

Strong international financial control is a key ingredient of their success as the availability of accurate, timely and appropriate financial data is recognised as providing an important competitive advantage. Two roles in particular have emerged as being crucial to this end:

FINANCE AND TREASURY MANAGER
Package c£25,000

With responsibility for Treasury, Group Financial Reporting and *Operational Audit*, this position offers high international exposure to senior management, at operational and Group level, and external advisors including banks and other financial institutions. Key tasks will include: advice on funding; maintenance of the Group Management Information Reporting System; the establishment and maintenance of Group accounting policies and internal controls.

The ideal candidate will be a graduate Chartered Accountant at manager level with a 'Big 8' firm, aged 26-28, with experience of international consolidations. He, or she, must display the ability to grasp wide business issues, pay attention to detailed complexities and, above all, have the ambition to progress rapidly.

FINANCIAL PLANNING AND ANALYSIS MANAGER
Package c£22,000

This role is open to high-calibre graduates (ACA, *CIMA, ACCA), aged 26-30, with an excellent* track record to date and again, even greater future potential. Applicants must be able to work to tight deadlines, react positively to pressure, and shoulder early responsibility. Prerequisites include a sound knowledge of sophisticated analysis techniques and micromodelling literacy.

Key tasks include: management of the *Financial Planning* Process; Risk and Opportunity analysis; further development of Micro Models; and, supervision of the Investment Appraisal Process. Liaison with senior operational and group management will provide the high exposure necessary for the successful applicant to realise his/her full potential.

Both roles provide the foundation for an excellent career within the Group and only candidates with the full potential to realise their aspirations need apply. Those capable of such should write to **Renny Hayes BA ACA at Michael Page Partnership, 29 St. Augustine's Parade, Bristol BS1 4UL, or telephone him on 0272 276509 (24 hours).**

MP

Michael Page Partnership
International Recruitment Consultants
London Bristol Windsor StAlbans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

Your step towards business management...

Divisional Financial Controller

Gloucestershire — **c£25,000 + Car + Benefits**

Our client has earned an enviable reputation within its sector for quality and growth. They are a £13m turnover subsidiary of an expanding £35m international group and operate at the forefront of retail distribution.

This is an unusual opportunity to enter a fast moving and dynamic environment, and take your first steps into general management. They seek a graduate chartered accountant to play a major role within their young management team. The ability to contribute towards *corporate* decision making is therefore essential and the Group see this as an ideal stepping stone to a commercial management position. You will have a minimum of 2 years' PQE within a commercial environment and be aged between *27-33*.

The company is in the process of developing a sophisticated point of sale management information system, hence extensive experience of computer systems will be an advantage. Strong communication skills are a prerequisite as you will be:

★ reporting to the Managing Director
★ responsible for a number of accounting *staff*
★ liaising with line managers.

Apart from an attractive salary, company car and other *benefits, you will have the rare opportunity to enter* a business undergoing substantial growth.

If you are able to meet these exacting criteria, please write to **Paul MacIldowie ACA at Michael Page Partnership, 29 St Augustine's Parade, Bristol BS1 4UL.**

MP

Michael Page Partnership
International Recruitment Consultants
London Bristol Windsor StAlbans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

Computer Industry

Finance Director

Cobham, Surrey — *c. £35,000, car and equity participation*

This newly created computer company markets hardware and software products and provides a comprehensive range of support services. With an impressive customer base, six locations and in-house expertise already established, the company is projecting a £10M turnover and plans a Stock Exchange listing *in the longer* term.

The Finance Director will contribute significantly to the development of the business by forming an integral part of the management team and liaising extensively with branch managers, clients and suppliers. In addition to implementing financial controls and directing the finance function, the Finance Director will be expected to negotiate *with financial institutions, evaluate potential acquisitions* and manage the integration of new businesses.

Candidates should be graduate Chartered Accountants, aged around 35 with excellent commercial experience gained preferably in the computer industry. Candidates should be proactive, energetic and have excellent communication skills.

In addition to the generous remuneration package the successful candidate can participate in the growth of the business by acquiring equity.

Please reply to Basil Miller, in strict confidence, quoting reference 5015/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultancy Division
P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

Accounting Opportunities

A rare Opportunity to progress with a major Multinational

c. £20K

Opportunities such as this are rare - but then our client is a *rare breed of company. Part of a leading multinational,* they are ideally placed to offer you unrivalled opportunities to develop your career within their European operation.

Our client is seeking a career-minded achiever with the vision and energy to convince us they can respond successfully to the varied demands of a large organisation. Recently qualified, you will need sound business acumen backed by the personality to operate effectively in a team environment. This role demands a high degree of flexibility within the accounting function and will appeal to people keen to take on responsibility. Computer literacy is also a prerequisite.

The key requirement is potential. The potential to prosper in a company where the opportunities for career development could not be better and where ability is always recognised and rewarded.

Based in Middlesex, immediate rewards comprise a highly competitive salary and benefits package including relocation assistance where appropriate.

If you have the ability and initiative to meet the challenge, please send full C.V. including salary details to Mrs Jennifer Baker, LINK Management Selection, 24 Buckingham Gate, London SW1E 6LB. Telephone: 01-834 3777.

LINK
MANAGEMENT SELECTION

BUNZL

GROUP MANAGER – OPERATIONS REVIEW

PACKAGE TO £30,000 + CAR

Bunzl is a major international company with interests in paper, plastics, distribution and transportation in the UK, USA, Europe, *Australia* and the Far East. With sales of over £1,000 million and profits growth of 50% p.a., it is one of the most exciting companies in the UK Top 80.

Bunzl's rapid expansion has lead to the creation of a new position, reporting to the Group Controller – Operations and Audit. As Group Manager, you will provide 'hands-on' leadership to a team of qualified *accountants in the review* of operations and internal control arrangements. You will have the opportunity to travel extensively. There are excellent prospects for promotion to line management, and an early transfer to the United States is a *strong possibility*.

We are looking for a graduate qualified accountant who has trained with a major accounting *firm or industrial company. You should be able to* demonstrate accomplishment in internal or external audit, and a record of achievement in your career development. Language ability and/or computer audit experience would be a plus. You are likely to be in your late twenties to mid-thirties. An excellent remuneration package, including relocation assistance where necessary, is available.

We also have similar vacancies at a less senior level for accountants with 1-2 years PQE.

To apply, please send your c.v., including details of your current *remuneration*, to:

A.S. Knighton, Group Personnel Manager
BUNZL PLC, FRIENDLY HOUSE, 21-24 CHISWELL STREET, LONDON EC1Y 4UD

MERCHANT BANKING

Graduate ACA/CA's 22-30 — **Package Neg c. £25,000-£30,000 plus**

Our THREE clients are a major UK FINANCIAL INSTITUTION, a leading UK STOCKBROKER and a dynamic UK FUND MANAGER with a glittering track record. Between them, they require NO LESS THAN 7 YOUNG QUALIFIED ACCOUNTANTS in the probable age range 22-30.

You must have a good academic background but above all a pleasant though firm personality. The vacancies are all CITY based apart from the requirement for a GUERNSEY based FINANCE DIRECTOR.

If you think you're EXCEPTIONAL, please contact GEORGE D. MAXWELL, Managing Director

ACCOUNTANCY APPOINTMENTS EUROPE
1-3 Mortimer Street, London W1N 7RH
Tel: 01-580 7739/7695 (direct)
or 01-637 5277 ext. 281/282

Accountancy Appointments Europe

A superb opportunity in one of the UK's top retailers

NEWLY/RECENTLY QUALIFIED ACCOUNTANT

c£22,000 + car + relocation **Central London**

This is a unique opportunity to become part of the management team running one of the leading retail groups in the UK. This team is formidable, containing some of the most respected names in British retailing. Their main virtues are excellence and dedication and we seek a newly or recently qualified accountant to join them.

Our client is one of the largest UK retail groups and is growing rapidly, both organically and by acquisition. As group accountant you will play an important part in the development of the company. This is a key role in the running and development of the group's information system, and includes the preparation of consolidated results, budgeting, forecasting, providing a management accounting service to the parent company, and substantial involvement in a large variety of accounting exercises. This position should be seen as the first step towards a strong career in the group.

Candidates for the position should be newly or recently qualified graduate accountants. The main criterion is excellence.

Please send your career and current salary details, together with a daytime telephone number, to ***Barry C. Skates*** *at our Maidenhead office, or telephone him on* ***0628 75956*** *for an informal discussion.*

MKA SEARCH INTERNATIONAL LIMITED
MKA House King St Shades House Mealcheapen St.
Maidenhead Berks SL6 1EF Worcester WR1 2DQ
Telephone: (0628) 75956 Telephone: (0905) 612261

MKA

London, Maidenhead, Worcester, Leeds — Search, Selection & Training

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"An outstanding opportunity for an exceptional young Accountant or Lawyer."

COMPANY SECRETARY

c£23,000 p.a. + finance sector benefits

With £24 billion of funds under management, Prudential Portfolio Managers is the largest single institutional investor in the UK.

The City is in the throes of an exciting revolution and we are responding to it with original approaches and ambitious plans – as always, we aim for leadership in whatever market we enter.

Our expertise in the retail financial sector encompasses the prestige markets in the UK for savings, life protection, unit trusts, PEPs and other financial services products; worldwide we provide tax efficient schemes for the expatriate community, utilising currency funds and offshore based bond and equity funds.

As a result of creating an organisation centred around specific business needs, an exceptional opportunity now exists for a young qualified Accountant, Lawyer or Chartered Secretary with 2 to 3 years' solid professional experience. If this experience is within the financial services market, then so much the better.

The position is a two-fold challenge which entails providing an efficient Company Secretary service, and taking up a wide range of ad hoc projects and tasks on behalf of senior management.

The diversity of the challenge and breadth of exposure to Prudential business development is sufficient to whet the appetite of the most ambitious high flier. Success will demand energy, commitment, imagination and the constant desire to achieve. Rewards will be considerable – an initial salary negotiable around £23,000 plus a benefits package that includes a low interest mortgage and a non-contributory pension.

Above all, the high visibility of this position in a vital and vibrant business development area creates the most exceptional career prospects.

Please send a concise but comprehensive c.v. to Hilary Cunningham, Personnel Officer, Prudential Portfolio Managers Limited, 142 Holborn Bars, London EC1N 2NH.

PRUDENTIAL
Prudential Portfolio Managers Limited

Compliance Officer/ Credit Controller

Excellent entrée into Financial Services
c £20,000 plus bonus
City

Compliance is becoming a vital discipline within the City's new regulatory framework. A successful and respected group of international futures and options traders has an opportunity for a diplomatic but energetic individual to head up its key compliance and financial control team.

Intelligent applicants will spot the advantage of entering this field in the early days and may feel that they can offer more than is required of them in their present auditing or accounting role. The opening provides a springboard from which either to specialise in compliance or to pursue a wider career within the group.

The successful applicant is likely to be aged between 25 and 35 and, although not necessarily a qualified accountant, should have enough presence to command respect. Knowledge of futures and options broking is not essential but good auditing experience and computer exposure would be a distinct advantage.

Write enclosing full CV and salary details, quoting MCS/4011, to:
Miles Holford
Executive Selection Division
Price Waterhouse
Management Consultants
No. 1 London Bridge
London SE1 9QL

Price Waterhouse

Divisional Finance Director

Midlands
£30,000 + car + bonus

Our client is a highly successful and fast expanding publicly-quoted industrial group of autonomous companies with exciting growth prospects both in the UK and overseas. The entrepreneurial flair and strength of the Board is reflected by recent record profits.

The emphasis in this new appointment will be to assist the Divisional Chief Executive to maximise the profit potential of the Division which has an annual turnover of £75m. This will be achieved by ensuring that divisional subsidiaries operate and maintain the highest level of financial control and management information systems. The analysis and critical review of this information is seen as vital to the continued growth and development of the division.

The Group strategy to extend further its house building operations will entail the Director instigating and managing major capital expenditure projects. In addition, this expansion will also mean a significant involvement with the investigation of potential acquisitions.

The requirement is for a high calibre executive who is currently heading up the financial function of a substantial UK Company. Probably aged 30-40, you will be able to demonstrate experience of operating strong financial management and controls and an ability to guide and direct companies in line with corporate objectives. It is a specific requirement that potential candidates must possess substantial experience gained within a construction, preferably house building, environment.

This is a challenging appointment and will not suit those seeking a passive role.

Candidates should write in strict confidence enclosing a full CV and salary details quoting MCS 8728 to Gary Birney,
Executive Selection Division
Price Waterhouse
Management Consultants
Livery House
169 Edmund Street
Birmingham
B3 2JB

Price Waterhouse

Appointments Advertising

£43 per single column centimetre
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For further information call:
01-248 8000
Daniel Berry
Ext 3456
Tessa Taylor
Ext 3351

PA TO PARTNER
£23,000—WEST END

Our client, a small dynamic practice, seeks a young ambitious chartered accountant with 2/3 yrs PQE "Top 8" background would be preferable.

Excellent prospects for partnership in the short term.

Please call: David Paton on 01-73? 4836 or (Redhill: 762094 evenings). Alternatively write to: Finance Recruitment, Grafton House, 2/3 Golden Square, London W1. (Ref 283).

TOZER KEMSLEY & MILLBOURN

REQUIRE

A Financial Controller

(Aged 30 to 40 years)

Salary Circa £35K Plus Executive Car

There is a vacancy for the new position of financial controller of the automotive services and property division who will report to the chief executive of the division.

The person we are looking for must be dynamic, entrepreneurial and highly self-motivated and will want to be involved in the division's managerial decisions as well as its financial decisions.
This is a first class opportunity to join a varied and diverse division of a fast expanding group.

The position is based in Brentford, Middlesex, and the applicant must be prepared to travel within the U.K. and overseas.
Qualified candidates who are experienced accountants and have industrial experience should write immediately with full c.v. to:—

Mr J. E. Tuke, Chief Executive
Tozer Kemsley & Millbourn Automotive Services & Property Division
991 Great West Road, Brentford, Middlesex TW8 9ED

Financial Director

– Major High Technology Plc

c. £80,000 Negotiable
●
Car, Share Options, Relocation
●
MIDLANDS

The requirement is for an individual of considerable personal presence and stature to assume overall financial responsibility for a highly aquisitive quoted company. Essential prerequisites are a proven track record within a £100 million plus turnover organisation and experience at main board level.

We seek applications from ambitious, energetic self starters with the confidence and ability to instantly command the respect of a well-established group finance organisation. Of equal importance is City credibility since it is envisaged that the company will grow beyond recognition in the forseeable future, leading to considerable exposure at the highest level of financial institutions.

It is unlikely that candidates currently earning less than £60,000 per annum would be sufficiently experienced and it is desirable to appoint a Chartered Accountant within the mid-30's to mid-40's age range. The remuneration package will be directly related to experience and will exceed the stated figure if necessary.

For immediate reaction to your suitability, submit a comprehensive career resume to Andrew Carter at the Birmingham address below quoting reference FT 256.

CONFIDENTIALITY GUARANTEED

Technical, Sales & Management Appointments
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Specialist Computer Recruitment Ltd

11 THE SQUARE, BROAD STREET, BIRMINGHAM B15 1AS
TELEPHONE: 021-631 4030

LONDON	MANCHESTER	BRISTOL	BRUSSELS
01-935 0671/486 0461	061-833 0427	0272 277641	010-322-640 7151/71

FINANCIAL PLANNING & PROJECTS MANAGER

N. W. London Late 20's **£Negotiable + Car ACA, ACCA**

Retail has proved to be one of the fastest growing sectors over the past few years. The substantial competition within this market has created unsurpassed opportunities for applying financial skills to a marketing environment. A requirement has arisen for a professionally qualified individual to cover the following areas:

- Production of annual corporate plans including monitoring results against targets.
- Appraisal and review of major projects including new business opportunities, and the identification of areas of profit improvement.
- Operations and Management, incorporating the preparation and maintenance of a programme of planned systems developments, aimed at improving quality of output and productivity.

Applicants must have commercial experience preferably gained within a major corporation, although not necessarily within the retail sector. Due to the high profile nature of this position, and the extensive exposure to non-accounting management, the personality and motivation of the applicant is of paramount importance.

The company is dedicated to an ongoing programme of expansion and consequently applicants should expect rapid advancement within the group.

Interested applicants should telephone Mark Gilbert on 01-930 7850 or, write enclosing brief details to the address below.

ROBERT • WALTERS • ASSOCIATES
RECRUITMENT CONSULTANTS
66-68 Haymarket London SW1Y 4RF Telephone: 01-930 7850

R H Associates

Accountancy Recruitment Consultants

ARE YOU A HIGH FLYING ACCOUNTANT WITH YOUR FEET ON THE GROUND?

Business Analyst

Central London

c£20,000 + Benefits

Interested ?

Ring Kiran Cartner on 01-379 6668 (out of hours on 01-530 2878) or send your CV

A market leader in their sector and respected worldwide, our client has the reputation as one of the most successful and influential companies involved in innovation and technology. With a turnover exceeding £3bn the company continues to expand both organically and through acquisition.

As a result of promotion, an opportunity now exists for an exceptional newly qualified accountant within the Corporate Headquarters.

Your key responsibilities will focus upon the critical review and evaluation of substantial investment proposals and existing projects. As a result of preparing and presenting your recommendations, you will liaise directly with the Board and senior managers both at corporate and operating subsidiary level.

This being a high profile position, where initiative, ambition and commercial flair will not go unnoticed, your career path is mapped out to take you eventually into a senior line management role.

You are likely to have experience of a large company environment, be qualified and aged under 30. Your communication skills will be excellent, but most important you will be ambitious for success and committed to a challenge.

18 Exeter Street, London WC2E 7DU
Telephone 01-379 6668 Fax 01-379 0487

GROUP FINANCE DIRECTOR
WORLDWIDE CONSULTANCY

The *PA Consulting Group* is an international management and technology consultancy of unique ambit and scale. In 1986, worldwide revenues exceeded £120 million, earned from twenty two countries in Western Europe, Scandinavia, North America, Asia and Australasia. Some 45% of revenues were derived from strategic, operational and personnel services to management and the remaining 55% from technology, computing and manufacturing consultancy.

PA is in the second year of a five-year programme designed to enhance further our position in the international consultancy business, and meet the changing competitive challenge of our business in the 1990s. We plan to double our worldwide revenues within that five-year period, a goal which has substantial investment and funding implications.

We seek to appoint a Group Finance Director to replace the present incumbent, who is taking up another appointment within the Group. The position offers an experienced, commercially astute and ambitious chartered accountant the opportunity to manage and direct a financial strategy *appropriate to our future needs.*

PA

PA Consulting Group

The ideal candidate, probably in his or her early forties, will combine a high level of personal and professional authority with the energy and adaptability to work within, and influence, a strong and progressive main Board. Previous experience within an international group is essential, and should have covered corporate finance, treasury and acquisition affairs.

The importance of this appointment is such that the remuneration package will ensure that we attract the right candidate. Attractive executive benefits will apply. It is unlikely that anyone earning a base salary of less than £60,000 will have the necessary experience, though the successful candidate could be earning considerably in excess of that figure.

Candidates should apply in writing to A J Foden, Group *Chief Executive, PA Consulting Group, 38 Hans Crescent,* London SW1X 0LZ.

A fast growing and successful public company require a highly qualified

FINANCIAL DIRECTOR

£38,000 package - West Midlands

This is an outstanding opportunity for a high calibre person to join a young motivated team engaged in the engineering sector. The company has recently extensively modernised its plant and equipment and has a most exciting future. The successful FCA will probably be between 34 and 42, and able to demonstrate an impressive track record. An engineering background would be an advantage but more important is the ability to direct the highly qualified financial team and thus be able to play a full part as a member of the Board formulating company strategy and business development.

Please write with full c.v. to The Chairman,

Box A0585, Financial Times
10 Cannon Street, London EC4P 4BY

Taxation Manager
Expanding Property Group

Thames Valley c.£27,000 + Car + Benefits

Our client is a well known respected name in the property development and investment sector. The company has achieved impressive and sustained growth in recent years, and now seek to recruit a group taxation manager to assume responsibility for the company's tax affairs.

The role offers an opportunity for candidates who relish involvement in commercial decision making. Directing the attention of senior management to the tax implications of business proposals, you will play a significant role in the company's development.

The successful candidate will be a graduate ACA qualified with a major firm of accountants, or commercial concern. Having specialised in corporate taxation you will now be looking for a high profile challenge within a stimulating environment. Property company experience and exposure to international tax and VAT is advantageous but not a prerequisite. The remuneration package is excellent with significant benefits provided to the right candidate.

For further information please contact **Chris Nelson** on **01-831 2000** (evenings and weekends on **01-785 6545**) or write to him at **Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH.**

MP

Michael Page Partnership
International Recruitment Consultants
London Bristol Windsor St.Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

Audit Manager
(Partnership Potential)

Up to £25,000 + car

Our client is a very highly respected medium-sized practice based in Central London.

The right candidate will initially assume manager status handling a varied portfolio that includes some of the practice's most prestigious clients. Consequently this is a high profile role within the practice, which has realistic partnership potential in the short to medium term.

The candidate will ideally be under 32 years of age with experience of dealing with large and small corporate and professional clients. Some insurance experience would be an advantage, but is not a prerequisite.

If you have the potential to reach partnership level within a top thirty practice, contact **Michael Risley** on **01-831 2000** or send a C.V. *for his attention to* **Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH.**

MP

Michael Page Partnership
International Recruitment Consultants
London Bristol Windsor St.Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

SHIRE TRUST

FINANCIAL CONTROLLER

Shire Trust was set up one year ago to bring high quality merchant banking services to medium sized companies. We specialise in both corporate finance and corporate banking and are a Licensed Dealer in Securities and a Licensed Deposit Taker.

Due to growth over the last year we can now offer an excellent opportunity for a newly or recently qualified Graduate ACA seeking a first move out of the profession.

The new position of Financial Controller will report directly to the Managing Director, Corporate Banking and will be fully responsible for financial and management accounting, tax and the establishment of systems and procedures. Further staff will be recruited as required. This job offers an opportunity to develop an understanding of the financial sector but a candidate with some bank auditing experience would have a flying start.

We are looking for a self starter who can grow with the Company; a later move to other areas of the business such as banking or corporate finance is not ruled out.

We offer an attractive salary in addition to the usual banking benefits and a company car. In the first instance please contact the Company's adviser Greg Ripley at Robert Half, Freepost, Roman House, Wood Street, London EC2B 2JQ. Telephone (01) 638 5191.

INTERNAL AUDITOR

CITY

c.£25,000, Fully Financed Car

Our client already occupies a significant position in the Lloyds Insurance Market. Backed by the resources and expertise of a major financial institution, they intend becoming pre-eminent.

This is a NEW APPOINTMENT, primarily responsible for reviewing, evaluating and approving, *procedures and controls covering UK departments, and overseas units, of our client.* Specifically this will include introducing and implementing a formal Procedures Manual and verifying compliance through spot reviews, vetting computer systems and controls, and on-going liaison with the parent company and external auditors in all matters relating to control *standards.*

You should be a qualified accountant or career auditor, with experience of the insurance industry. The position requires self-discipline, sensitivity and highly developed communication skills.

To apply, please send a CV, or write or telephone for an application form to, **John Kitchen**, at the address below, quoting reference G1494.

BIS Applied Systems
SEARCH & SELECTION SERVICE

BIS Applied Systems Limited,
20 Upper Ground,
London SE1 9PN.
Tel: 01-633 0866.

FINANCIAL CONTROLLER

London c.£22k + Car

Our client is a highly innovative graphic design and printing company using some of the most advanced technology in the world. With annual turnover in excess of £1m and making substantial profits, the company is able to boast an impressive blue chip client base.

Continuing, rapid expansion has created the opportunity for a high calibre, qualified accountant to join this successful company as Financial Controller.

Reporting to the MD, you will be responsible for the day to day running of the finance function, providing the MD with essential management information to ensure the continuing success of the business. One of your first tasks will be to introduce a computerised accounting system. You will also be expected to manage a planned restructure with a view to taking the company to the market in the future.

This is an exceptional opportunity for an ambitious person to join the dynamic management team of a highly successful company. Candidates must be self-motivated, results orientated, with excellent communication and social skills and able to demonstrate sound commercial acumen. Experience with computerised financial and management control systems is essential. The opportunity exists for the right candidate to become Finance Director in due course.

Applications, in writing, giving full career resume, salary history and daytime telephone number to Mandy Davies:

ROBSON RHODES
Chartered Accountants

Management Consultancy Division
186, City Road, London, EC1V 2NU.

Financial Controller
The Law Society

London £25,000 to £30,000

The position is that of senior financial officer in an undertaking with annual expenditure of about £12m across a range of interests from publishing to charitable trusts. In addition cash and investments call for a treasury and *fund management function running up to similar* sums.

The Financial Controller will report to the Assistant Secretary General (Management) upon all financial and management accounting, budgeting, planning, investments, cash management, taxation, annual accounts, and *consolidations and financial DP facilities.*

Candidates must be qualified, preferably Chartered Accountants, and have a good all round knowledge of commercial accounting including taxation combined with departmental management capacity. Some exposure to the audit or financial management of professional bodies is an advantage but certainly not vital. It is particularly important that candidates are technically strong and can demonstrate an ability to present logically, clearly and persuasively. Candidates are expected to have at least 5 years' post-qualification experience, Age range is from 28 upwards.

Salary will be based on age and experience with other benefits available. Please forward in confidence a full CV with current salary and quoting reference LM900 to Terry Fuller, Spicer and Pegler Associates, Executive Selection, Friary Court, 65 Crutched Friars, London EC3N 2NP.

Spicer and Pegler Associates
Executive Selection

An excellent opportunity for a young accountant . . .

Financial Controller
High Technology Market

to £22,000 + car

Designing, marketing and selling a range of highly regarded software and hardware products, our client is undergoing rapid expansion in both the UK and its international markets. With turnover of £10 million and very profitable, the company is developing new products and is forecasting continuing growth.

Based in Central London and reporting to and working closely with the Financial Director, the Controller will be responsible for the full accounting function. He or she will manage the further development of computerised systems, prepare and analyse information and be closely involved in all areas of asset management. Prospects for increased responsibility are considerable.

In their mid to late 20s, applicants should be qualified accountants ideally with experience gained in industry or commerce.

Please write, enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference H/592/LF.

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

Appointments Advertising

£43 per single column centimetre
Premium positions will be charged
£52 per single column centimetre

For further information call:
01-248 8000
Daniel Berry Ext 3456
Tessa Taylor Ext 3351

Appointments Advertising

£43 per single column centimetre
Premium positions will be charged £52 per single column centimetre

For further information call:
01-248 8000
Daniel Berry
Ext 3456
Tessa Taylor
Ext 3351

Financial Director

£40,000 + Substantial Bonus + Car

Our client is a prestigious retail division (T/O c50m) within a major and highly profitable UK plc.

The Financial Director will have total responsibility for the finance, data processing and distribution departments. *The key tasks will be to* ensure tight financial controls, improve management information reporting systems and, as a member of the executive team, ensure that the future expansion plans are implemented.

Candidates should be graduate accountants, age indicator 30-35, with experience within consumer/ service companies which are marketing driven. *It is essential that candidates have the* personal qualities to succeed and progress within the group where career progression is not confined to the financial area.

The attractive remuneration package includes a significant bonus and good fringe benefits.

Please write or telephone enclosing full resume quoting ref: 137 to:
Nigel Hopkins FCA,
97 Jermyn Street,
London SW1Y 6JE.
Tel: 01-839 4572

Cartwright Hopkins
FINANCIAL SECTION AND SEARCH

ACCOUNTING FOR CHANGE

Corporate Audit
£25 – 30K + car, bonus etc

Accounting Development
London based

Chloride Group is a £300m turnover British owned international company operating in the energy, electrical and electronic sectors. After a period of market rationalisation and consolidation, we are now well placed to plan for growth. Our recently appointed Finance Director is building a small central team which will play a major role in the thrust to change the corporate culture.

We are looking for two senior members of the team who will both be capable of influencing the management of the Group as a whole and who will have the breadth and capacity to move into a Finance Director position within a subsidiary in a couple of years or so.

The first job reporting to the Finance Director is Corporate Auditor. The main emphasis of this role is to ensure that the Group is managed in the most effective and efficient way by reviewing and appraising the soundness, adequacy and application of both management and financial controls, the efficiency with which the Group's assets are employed and the quality and effectiveness of business activities. A comprehensive understanding of modern audit techniques is essential.

The second job, Manager Accounting Development, which will report to the Group Controller, will primarily be responsible for ensuring that Group financial control, reporting and accounting systems and procedures are developed and operate in a manner which allows Group management to be able to monitor and control the profitable growth of the business.

Applicants for both positions should be Qualified Accountants probably educated to degree level with at least five to seven years post qualification experience. A background in a major industrial company which has well recognised and understood financial planning and control systems is essential. Salary will be negotiable and around £25-30,000 per annum. In addition, there is an excellent benefits package including car, petrol, private medical insurance and a significant performance bonus. Relocation will be offered where appropriate.

Applicants, both male and female, should send a brief CV with details of current salary to George Bramhill, Resourcing & Development Manager, Chloride Group plc, 130 Wilton Road, London SW1V 1LQ.

CHLORIDE
THE ELECTRICAL ENERGY COMPANY.

SENIOR CREDIT CONTROL MANAGER

ROSSENDALE, LANCASHIRE
c.16K + Car + Med. Ins. + Pens.

Micro Peripherals Ltd, one of the UK's most successful importers and distributors of computer printers, is actively seeking a dynamic, enterprising and totally commited professional to lead our dedicated and experienced credit control team to even greater achievements.

The successful candidate will have an established and outstanding track record in credit control within the computer industry or similar and will be able to display an appreciation of the importance of increasing sales, coupled with fast cash collections.

The post holder will be responsible for all *aspects of the credit control function*, from setting credit limits to litigation, and, most importantly, reduction of the average debtor day.

This position would ideally suit an aggressive, career minded and highly motivated professional, who is not intimidated by responsibility or challenge and who would like to work within a company where achievement is rewarded and opportunities for self advancement abound.

Minimum educational qualifications are a pre-requisite and applications are welcomed from those who have studied and attained formal qualifications, for example with the Institute of Credit Management.

Interviews will be held at our northern office, in Rawtenstall, Lancs.

For further details and in strictest confidence please contact the undersigned:—

M/s Laurie O'Brien
Human Resource Manager
MICRO PERIPHERALS LTD
Intec 2, Wade Road, Basingstoke, Hants
RG24 0NE
Basingstoke (0256) 473232 Ext. 220

Micro Peripherals Ltd

FINANCIAL CONTROLLER

GOOD OPPORTUNITY FOR A YOUNG ACCOUNTANT
NEWPORT GWENT

c£18,000 plus car, usual benefits and profit share

A young, qualified accountant who wishes to gain valuable experience is required for an expanding private company.

The successful applicant will be in the age range 25 to 35, energetic, self-motivated and able to work under pressure.

His responsibilities will not only include day to day control of the general financial reporting and forecasting functions but he will also be involved in a more supervisory and management role within the company, reporting directly to the managing director.

Knowledge of computer-based accounting systems is essential.

Salary will be flexible for the right candidate.

Please reply with curriculum vitae to:
Mrs Angela Reid
BEECHWOOD HIRE LIMITED
Wharf Road, Newport, Gwent
Telephone 0633 54046

Company Accountant/ Assistant Secretary

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City — c£30,000 plus Car

Substantial growth from this insurance holding company has resulted in the need to strengthen the head office accounting team. The Group secures a large proportion of current business from the USA and future expansion plans will develop market opportunities in Europe and Hong Kong. A first class service and a comprehensive range of specialist insurance facilities are offered to clients.

Reporting to and assisting the Head of Finance, the successful candidate will be responsible for a full *spectrum of financial and management* accounting packages and some company secretarial duties, and will be assisted by a small well motivated team.

Applicants are invited from suitably qualified Accountants aged between 30 and 40 who will have experience of financial service industry accounting and company secretarial requirements. Excellent communication ability and good inter-personal skills are essential.

The attractive remuneration package includes a company car, contributory pension scheme, BUPA and Life Assurance cover.

Interested candidates should send a comprehensive curriculum vitae, details of current salary and a daytime telephone number to Andrew Sales FCCA, quoting ref LM902 at Spicer and Pegler Associates, Friary Court, 65 Crutched Friars, London EC3N 2NP.

Spicer and Pegler Associates
Executive Selection

INTERNAL AUDIT MANAGER

Investment Banking — New Zealand

Our client is a leading New Zealand investment banking group with headquarters in New Zealand's capital, Wellington.

An Internal Audit Manager is required who will set up and run the department from scratch. Duties will be broad-ranging and varied including the review of new, revised and existing systems and the examination of testing and security procedures. There will be a requirement to work closely with the external auditors.

Applicants must be chartered accountants willing to emigrate to New Zealand. Aged around 35, applicants must possess banking audit experience gained either while in the accounting profession or as a senior internal auditor in a bank.

Remuneration is negotiable according to experience and qualifications. Full international removal expenses will be paid.

Applicants are particularly sought from those interested in a permanent relocation to New Zealand, but we shall also be interested to hear from experienced auditors who would prefer a fixed contract.

Please write, in confidence, to Douglas G Mizon, Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU, quoting reference F/347/M.

Ernst & Whinney

Group Financial Controller

Circa £23,000 plus bonus plus car plus benefits

Millbrook Furnishing Industries Limited is a rapidly expanding private company intending to float within the next 3 years.

The Group currently employs over 500 people and is involved in a wide range of complimentary contract activities such as flooring, joinery, scenery production, furniture renovation, building and ship refurbishment as well as manufacturing leather and soft upholstery, bedding, dining room and office furniture.

The Group's achievements are the product of an active acquisition programme as well as organic growth, and these policies will continue to be pursued.

As a result a challenging and demanding position has arisen with responsibility for the supervision of the financial functions, monthly management accounts, forecasting and statutory accounts, as well as involvement in *acquisition reviews and the implementation of new computer systems.* Reporting to the Financial Director, the successful applicant will be a qualified accountant with 2-3 years past qualifying experience. Applicants should write, in complete confidence, enclosing a detailed curriculum vitae, to:

Mr S. D. Toft
Financial Director
Millbrook Furnishing Industries Limited
Stephenson Road
South Hampshire Industrial Park
Totton, Southampton SO4 3YR

Mill Brook

Group Financial Controller

c.£25,000

Our client is a leading firm of Consulting Engineers with an established presence in the Middle and Far East. Continued success of the enterprise will rely on the sound advice and considerable expertise provided by their existing team of financial specialists.

Someone is now needed to head up that team.

The appointment carries overall responsibility for the UK accounts department, office services, insurance and pensions, together with functional responsibility for the Financial Controllers in overseas locations. Consequently, the personal authority, integrity and communication skills you can contribute will be vitally important.

You should be a qualified accountant, probably in your 30's with a minimum of 5 years' commercial experience, ideally in a service environment. In addition to a salary that will match your talents our client is offering a full range of benefits including 5 weeks holiday, an attractive pension scheme and free life assurance.

Please send your c.v. to Paul Ballard at Austin Knight Selection, 17 St. Helen's Place, London EC3A 6AS or telephone 01-628 5021 for an initial discussion or application form, quoting reference 743/PB/87. Closing date: 7th July, 1987.

Austin Knight Selection

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AUSTRALIA

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All replies will be treated in the strictest confidence and interested parties should phone:

Mr Peter Thomson
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Tel: 01-600 8691

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London

Age: 30-40 — Up to £30,000 + car

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Candidates must be Chartered Accountants, preferably with a degree, in the age range 30-40 and should have financial experience in property development and investment. This could have been obtained either in a property development company, a financial institution or the accounting profession.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2799 to W.L. Tait, Executive Selection Division.

Touche Ross
The Business Partners
Thavies Inn House, 3/4 Holborn Circus, London EC1N 2HB.
Telephone: 01-353-7361

Financial Director (Designate)/ Company Secretary

Northern Home Counties

Our client, a contracting subsidiary of a UK group, seeks a commercially experienced and qualified Accountant. Reporting to the Managing Director, the successful candidate will be responsible for all Financial, Treasury and Company Secretarial matters as well as assisting in the formulation of commercial policies.

Experience of working within a contracting environment is desirable, as is experience in the running and development of in-house computerised systems.

Salary is negotiable but will fully reflect the importance of the position. Benefits are excellent.

In the first instance, please forward a c.v. to Ref RMM 730,

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C&L

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A qualified accountant aged in your early 30s, you must have a good working knowledge of the insurance broking industry and have previous line management exposure. Business orientated, you should have experience of project/acquisition appraisals, while knowledge of computerised accounting systems in an insurance environment is essential.

This is an exceptional opportunity for a young accountant to make their mark in a turnaround situation.

Résumés, including a daytime telephone number, to Torrance Smith, Ref. TS721.

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Executive Selection Limited
Shelley House 3 Noble Street
London EC2V 7DQ
01-606 1975

SENIOR INTERNAL AUDITORS

Middle East US$30,000 – US$50,000 p.a.

A major financial institution in the United Arab Emirates seeks Internal Auditors.

Candidates must be qualified accountants, ACA or ACCA, and have relevant post-qualification experience within the profession or in a financial institution. Knowledge of computer auditing will be an advantage.

The Contract will be for 2 years initially, renewable thereafter. Salary will be negotiable and free of local tax. Free accommodation and other substantial benefits will be provided. Details will be discussed at the interview.

The successful candidates will be involved in the audit of portfolios of securities, commodities and real estate, and the supporting treasury and accounting functions. The work also entails the evaluation of the adequacy and effectiveness of systems and controls and the preparation of detailed reports.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref. 2800 to W. L. Tait, Executive Selection Division.

Touche Ross
The Business Partners

Thavies Inn House, 3/4 Holborn Circus, London EC1N 2HB. Telephone: 01-353 7361.

Our client is an international London-based financial and banking institution. The expansion of its international audit team involves the recruiting of a

GROUP INTERNAL AUDITOR

LONDON £40-45,000

who will handle the more complex aspects of independent, interfield audits of assets, direct and contingent liabilities, lines of business, operations and activities within the bank's European branches and affiliates.

In order to assure the audit-committee in New York on an ongoing basis he will not only evaluate the internal operational procedures but be involved in the more complex assessments of the firm's financial exposure risks. Acting as trouble shooter, he will be in charge of the reporting activities to the management, *shareholders and* external authorities. He will also act as an advisor to define appropriate sampling and modern auditing techniques and conduct the introduction of EDP audit systems on IBM 4300.

Reporting to the Group Internal Auditor Europe in Geneva, the incumbent will be responsible for supervising and training his group of professionals. Fluent in English and French, the ideal candidate will preferably be a chartered accountant or have a similar educational background with a sound experience in an international *financial environment* and proven managerial skills.

For further information, please contact:

Jimmy Klein
PEAT, MARWICK, MITCHELL & CO. S.A.
P.O. Box 138
1211 Geneva 25
Tel.: (022) 47 82 00.

PEAT MARWICK

Ferranti Computer Systems Ltd. Wythenshawe Division

Divisional Finance Manager

Excellent package + car North West

Our client is a Division of Ferranti Computer Systems Limited, which is a wholly owned subsidiary of Ferranti plc. The Division operates almost entirely in the commercial market, producing computer systems *developed for a wide range of applications including* industrial process control, SCADA, power stations, communications and information, in addition to *marketing stand-alone equipment.*

The Division has an annual turnover of some £70 million and now wishes to appoint a Divisional Finance *Manager responsible to the General Manager* for all accounting procedures, processes and financial matters within the Division.

Applications are invited from qualified accountants with experience of computer based accounting and control systems gained in a commercial environment, where short and long term contract cost accounting has been required. Experience of dealing with overseas organisations would be an advantage.

The successful candidate will be expected to make a *significant contribution to business management in* exchange for an excellent comprehensive remuneration package which includes assistance with necessary *relocation expenses.*

Interviews will be held throughout the UK.

Please send details of your career quoting reference 5872/FT to: John Kay, Human Resources Division, Grant Thornton Management Consultants, Heron House, Albert Square, Manchester M2 5HD.

FERRANTI
Selling technology

MANAGEMENT ACCOUNTANT

Age 30 – 40 years London

Our client, a quoted company in the commercial industrial sector, whose turnover has increased from *£1½ million to £50 million within the last four* years, is currently expanding through organic growth and acquisition, and now requires a Senior Accountant to join them in the London Headquarters.

Reporting directly to the Chairman, the role will be one of trouble shooting for recently acquired companies: introducing, installing and maintaining effective financial disciplines and controls *within the group, together with* strategic involvement on potential acquisitions. You will also be involved in the supervision of the group audit.

Ideal candidates will be ACA's with experience in a dynamic commercial environment: possibly as a divisional accountant in a large/medium sized company. This is an unusual opportunity to be part of a small management team committed to the success and growth of the company.

For further details please write or telephone in strict confidence, quoting ref. RB2030, to:

Tel: 01-248 8346 — (from 29-6-87 01-256 5611)

Rochester Recruitment Limited
22A College Hill
London EC4R 2RP
Telephone:
01-248 8346

VP FINANCE AND ADMINISTRATION

An international investment and motion picture production company with offices in London and Lausanne requires a mature, highly qualified executive to be responsible for the company's organisation and the financial management of its substantial investment portfolio. This will be a new position.

The successful candidate will have demonstrated competence in U.S. international tax matters and should have an understanding of European tax matters as well. He/she will either be a Chartered Accountant, CPA or possess a law degree and will probably have some experience in a large international accounting firm as well as in industry and will have spent some time living and travelling abroad. Familiarity with the motion picture industry would be helpful but is not essential.

The VP Finance and Administration will be located in the UK and will travel frequently to Europe and the U.S. The compensation offered will probably be in the range of £60,000 and will be determined by the qualifications and experience of the successful candidate.

Box A0598, The Financial Times, 10 Cannon Street, London EC4P 4BY.

FINANCIAL CONTROLLER

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Applicants must be qualified accountants aged 35-45, with sound financial experience including knowledge of US reporting requirements. Equally important are first rate managerial and administrative skills and the ability to work autonomously.

Full relocation package is available if appropriate.

Please send a brief CV to Carrie Andrews at Ernst & Whinney, Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU quoting reference F/077/A.

Ernst & Whinney

FINANCE MANAGER

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This position will appeal to an experienced Accountant now ready for the challenge of building a new company with an experienced, highly motivated management team. The benefits include a Salary indicator of £25,000, equity participation, a car and company pensions and health insurance schemes.

Please write including CV to:—

Clive Crooks
Managing Director
Xenova Ltd
545 Ipswich Road
Slough SL1 4EQ
Berkshire

XENOVA

FINANCE DIRECTOR

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Management Accountant
c£18 — 19k

To be responsible to the Site Comptroller for both cost and management accounting, you will be a fully qualified CIMA or ACCA with some 3 — 5 years experience within a blue chip organisation.

You will be expected to operate with a degree of discretion and autonomy, to liaise effectively with management at all levels and to review critically our current operating procedures.

You must have a knowledge of manufacturing and project accounting and have had responsibility for preparation and presentation of management reports and executive summaries.

Only candidates decisive, imaginative and committed need apply.

Financial Analyst
c£14 — 15k

Reporting to the Manager, Financial Controls, you will be part of the Company's Financial Planning and Analysis team responsible for the preparation and analysis of Strategic Plans and Budgets, Executive Management Reports and the evaluation of all major tenders.

You will need the analytical skills gained from 2 — 3 years experience in the financial planning function of a high technology organisation and should be newly CIMA or ACCA qualified or working towards your finals.

Both positions offer attractive benefits packages, including relocation support where appropriate, and excellent career options within finance and general management, both within this and other STC companies.

If you are interested in one of these challenging roles please telephone for more information or send your cv to W. Wright, at STC Submarine Systems, Christchurch Way, Greenwich, London SE10 0AG. Tel 01 858 3291 ext 3844.

STC SUBMARINE SYSTEMS

Finance & Administration Manager

Central London
c £23,000 plus benefits

British Museum Publications Limited is a highly successful independent company supplying specialist publishing and retail services for the British Museum.

Owing to the imminent retirement of the present postholder, the company now seeks a new Finance and Administration Manager to join at a very exciting time in its development. The retail outlets are introducing an advanced EPOS system, which integrates totally with order processing and management accounting. The business itself is showing a rapid increase in sales volume coupled with the introduction of additional product lines.

The Finance and Administration Manager will be a key member of the management team, with total responsibility for the finance function, administration, MIS and office services.

Ideally the successful candidate will have several years' experience in a senior finance and administrative role and be a qualified accountant (in certain circumstances other qualifications will be acceptable e.g. ACIS).

Preference will be given to those over 40 who have a keen interest in history and the work of national institutions, such as the British Museum.

This position offers an excellent long term career opportunity for a commercially minded individual.

Please write with full CV and quoting reference MCS/3023 to Tracey Phillips
Executive Selection Division
Price Waterhouse
Management Consultants
No. 1 London Bridge
London SE1 9QL

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SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Thursday June 25 1987

Battle for Harcourt clouded by new moves

By Anatole Kaletsky in New York

IN a series of legal skirmishes which added to the confusion surrounding the future of Harcourt Brace Jovanovich, the Michigan Insurance Commissioner was last night reported to have asked for a preliminary injunction to stop the company's $3bn recapitalisation plan but later stated that the proceedings had been dropped.

On Wall Street, supporters of Mr Robert Maxwell's takeover bid for Harcourt initially hailed the injunction move as a major tactical setback for the US publishing company.

Harcourt, however, denied all knowledge of the legal proceedings, and its advisers suggested that the injunction request had already been made and rejected by the courts last week. Late in the evening, the Michigan Commissioner himself issued a statement that he had abandoned his injunction request.

These moves came at a time when analysts were still struggling to understand the implications of an earlier court ruling the US publishing house had claimed as a major victory.

In this decision, a Florida court decided that debenture holders in Harcourt were entitled to convert each of their $1,000 bonds into 132 common shares. This was a larger number than the 29.4 shares to which debenture holders had been entitled prior to the company's defensive recapitalisation, announced last month.

But it fell far short of the 1,000 shares demanded by the debentures' trustee, Sun Bank and the three main bondholders

Because the new shares will not be entitled to Harcourt's $40 a share special dividend, the court decision appeared to imply a significant financial loss for investors who held on to their debentures

Amoco under pressure to improve Dome bid

BY BERNARD SIMON IN TORONTO

PRESSURE IS mounting on Amoco, the US oil company, to improve its controversial C$5.2bn (US$3.9bn) bid for Dome Petroleum, the debt-laden Canadian energy producer.

Despite agreeing to the offer in early April, Dome's management has privately passed the word that Amoco now has little choice but to sweeten its terms if it hopes to win the support of the Calgary company's 56 creditors.

Dome executives predict that Amoco will make an improved offer some time after June 30, the deadline set earlier for agreement in principle by the lenders.

Confirming Dome's new role as an intermediary between Amoco and the lenders, an executive at one of Dome's leading creditor banks said yesterday that the Calgary company had become "the broker in this thing now, not the principal."

Failure by Amoco and the lenders to come to terms will increase the risk of Dome, one of the world's biggest corporate debtors, being pushed into bankruptcy.

In a separate development, the Senate Energy Committee in Ottawa urged the Government to step in to re-open the bidding for Dome to other interested buyers.

TransCanada PipeLines of Toronto, whose earlier offer was rejected by Dome, has indicated that it may make a new bid soon, possibly in partnership with other oil companies.

Amoco has been careful to keep its options open. Mr Don Stacy, chairman of Amoco's Canadian subsidiary, said that "our strategy was to put the top dollar on the table." However, he added: "We don't want to be characterised as take-it-or-leave-it. We want to hear the lenders' concerns." Amoco has held several meetings with creditor groups in recent weeks.

Amoco's room for manoeuvre has been broadened by the rise in world oil prices and North American interest rates since it made the original offer.

Amoco has offered a return of 9 per cent on US$1.7bn worth of adjustable term notes, which form a substantial portion of its offer. According to one of the lenders, the present market rate on this type of instrument is between 10.25 per cent and 10.5 per cent.

In terms of Amoco's package of cash, notes and tradeable securities, secured creditors would be repaid an average of 89 per cent of their loans. Unsecured creditors would receive about 35 cents in the dollar. Dome owes a total of C$6.4bn.

Auditors' report clears VW board

By Haig Simonian in Frankfurt

THE keenly awaited report by Deutsche Treuhand, the West German accounting firm, on the role of Volkswagen's senior management in the DM 473m ($258.5m) foreign currency fraud that hit the group earlier this year has largely absolved the company's managing and supervisory board.

The report, commissioned at the beginning of April, says VW's supervisory board carried out its legal duties correctly with respect to the company's foreign exchange trading. It also says there is no indication that VW's managing board as a whole acted in a way contrary to its legal obligations.

However, the report does indicate that financial and operational departments at board level did not use sufficiently "the necessary supervisory and control measures in all points." Mr Rolf Selowsky, VW's finance director, resigned in mid-March though he was in no way directly connected with the foreign exchange scandal.

It also confirms that the reserves, which VW has set aside for foreign exchange losses in its 1986 results, are adequate.

The findings will come as welcome news for Mr Carl Hahn, VW's chief executive, who could have been facing a rough ride at the company's annual general meeting on July 2.

Leading West German banks had been awaiting the outcome of Deutsche Treuhand's investigations before advising their clients on how to act in the formal vote of confidence in the company's board at the annual general meeting.

Deutsche Bank told clients to abstain unless the report indicated they should do otherwise while Commerzbank said they should vote for the board while leaving an escape clause if the report justified this.

Printemps set to raise FFr 1bn for acquisitions

BY GEORGE GRAHAM IN PARIS

PRINTEMPS, the French distribution group, plans to raise FFr 1bn ($163.3m) in new capital to finance its purchases of stakes in other companies in the retailing sector.

Mr Jean-Jacques Delort, Printemps chairman, yesterday won approval from shareholders for the fund raising, which is likely to combine a rights issue with an issue of convertible bonds and warrants.

The capital increase is expected to lead to Lazard Frères, the French investment banking group, taking a significant shareholding – about 2 per cent to 3 per cent – in Printemps. Lazards is already closely involved with Printemps in Euromarché, the supermarkets chain in which Printemps now controls 43.6 per cent.

Mr Delort revealed that Printemps had now raised its stake in La Redoute, the leading French mailorder company, to 20 per cent, and that he planned to continue to buy shares in the market at his own initiative or at the request of La Redoute's management, which earlier this year asked Printemps to buy into its capital in the face of a possible hostile bid.

Printemps has no intention of intervening in the management of La Redoute, which Mr Delort said he regarded as one of the best managed companies in France.

The two groups will co-operate, however, starting with a joint lingerie catalogue this year and mail order catalogues overseas in 1988.

Mr Delort said the mail order companies were the only ones which at the moment had mastered the techniques of long-range retailing, which offer room for future development.

In the same sector Printemps has also taken a 12.5 per cent stake in Caditel, a newly created company which takes supermarkets grocery orders through France's Minitel videotext system and then delivers to the customer's home. Caditel is still making losses.

Printemps has also created a new financial subsidiary, Finedis, in conjunction with Sovac, a Lazards-associated banking company.

Finedis, which will not be in action before 1988, is expected eventually to take over Printemps's store credit-card operation.

Printemps has 257,000 cards in issue, accounting for FFr 1bn of turnover in the past 12 months and for 16 per cent of payments in the group's flagship department store on the Boulevard Haussmann in Paris.

Group sales to the end of May totalled FFr 3.5bn, Mr Delort said.

Opel shows first profit for 3 years

BY ANDREW FISHER IN FRANKFURT

ADAM OPEL, the West German subsidiary of General Motors of the US, is back in profit after three years of heavy losses. It expects to earn at least DM 100m ($55m) in 1987, Mr Horst Herke, the chairman said yesterday.

"The first six months of this year have shown a clear return to the black," he said. Turnover for the full year should rise by 10 per cent to DM 16bn.

"Opel, which has invested heavily in new models and plant modernisation, aimed in the next few years to wipe out the accumulated DM 970m losses of 1984-86," Mr Herke said.

"We would certainly not object if a few fat years would follow the lean years." Asked if the profit for 1987 would be a three-figure million mark sum, he said "yes."

Last year, Opel's net loss was DM 142m against DM 135m in 1985, and DM 695m in 1984, when the metalworkers strike hit production for seven weeks.

Mr Herke said that, following the company's record investment of more than DM 4bn in the last three years, "the conditions exist for a long-term consolidation of our situation."

In 1986 Opel invested around DM 1.5bn. This year, the chairman said, the figure would drop to some DM 850m. Two-thirds of this would go on further product development, the rest on plant improvements, mostly at its Rüsselsheim headquarters near Frankfurt.

Morgan gains control of Burlington

By James Buchan in New York

MORGAN STANLEY, the Wall Street investment bank, yesterday gained control of Burlington Industries, the largest US textile company, picking up more than three quarters of the company's stock in a $2.16bn or $78-a-share tender offer.

But the wearisome two-month battle for control of the company is not quite over. There are signs that a rival group, led by Mr Asher Edelman, the New York investor, has not tendered its 12 per cent stake in the company.

Morgan Stanley, which intends to offer Burlington's management a stake in its highly leveraged buy-out of the company, said that at least 78 per cent of Burlington's stock had been tendered into its offer, which expired early yesterday.

AEG lifts 5-month sales to DM 4.25bn

BY LESLIE COLITT IN BERLIN

AEG, the West German electrical and electronics company, owned 56 per cent by Daimler-Benz, booked an 8 per cent increase in sales to DM 4.25bn ($2.33bn) in the first five months of the year, compared with the same period in 1986.

Mr Heinz Dürr, AEG's chief executive, reporting to the annual shareholders' meeting in West Berlin, said new orders in the period fell 6 per cent to DM 4.9bnn. He noted that turnover for the current year was expected to exceed last year's DM 11.2bn, which was 3 per cent higher than in 1985.

For 1986, AEG made a gross profit of DM 135m, but after special provisions the net result emerged as break-even.

Mr Dürr warned of growing protectionism and the problem of financing large projects in countries which were important AEG customers. He said the company would respond by boosting investments in order to improve its international competitiveness. The DM 600m in investments this year was 40 per cent higher than in 1986.

Mr Dürr said strengthening AEG's earnings remained a primary objective. He thanked shareholders – who cannot expect a dividend until next year at the earliest – for the confidence they had placed in the company. AEG recovered from near bankruptcy in the early 1980s, and Daimler-Benz took control early last year.

Earnings rise sharply at Atochem

By Our Paris Staff

ATOCHEM, the chemical subsidary of the French Elf-Aquitaine oil group, reported yesterday a sharp rise in consolidated net earnings to FFr 166m 27.1m last year from FFr 40m the previous year.

Mr Jaques Puechal, the chief executive, said first quarter profits this year had totalled more than FFr 150m, and that the company expected further growth in earnings this year.

Sales declined to FFr 19.1bn last year from FFr 23.77bn the year before, but the company, which lost FFr 1.09bn in 1983, has staged a strong recovery following major restructuring.

Mr Puechal said cash flow, which had been negative in 1983, totalled FFr 1.2bn last year. Investment rose to FFr 1.4bn last year

IBM claims good demand for new personal computer

BY LOUISE KEHOE IN SAN FRANCISCO

IBM claims that demand for its new personal computers, the Personal *System/2 models, is very strong* and that it has shipped 250,000 units since the products were introduced on April 2.

"Our production people are working flat out to meet demand, and we are continuing to ramp up production on the PS/2," Mr Bill Lowe, IBM vice president in charge of the personal computer group, told securities analysts in New York.

In an apparent effort *to dispell* industry rumours that the PS/2 personal computers were not selling well and that development of the new operating system program for the machines was behind schedule, Mr Lowe emphasised that demand was strong and that deliveries of both hardware and software were at or ahead of schedule.

The operating system software, OS/2, which is being developed by Microsoft will be available "in the first quarter of 1988, or sooner," IBM said.

Executives said the company expected personal computer sales for the first half of 1987 to be significantly better than last year and projected record sales volume and revenues for the second half of the year.

In a veiled threat to would-be cloners of the company's new personal computers, executives said they would protect their proprietary technology against illegal copying.

Although Mr Lowe said that IBM would maintain its "open architecture" policy, which enables others to produce personal computers that mimic IBM machines, "anyone who believes the story that we are offering our Microchannel to others has got to be kidding."

The Microchannel is an internal communications system which is a key aspect of the PS/2 designs. Several US chip manufacturers are attempting to "reverse engineer" the Microchannel. It remains to be seen whether such attempts to emulate IBM technology will be challenged.

Without the Microchannel, IBM's competitors will still be able to produce compatible personal computers that run the same software, but their *performance might not meet* that of the IBM machines.

Canadian group drops car venture

By Robert Gibbens in Montreal

BOMBARDIER, the Canadian engineering group, has dropped its Venus mini-car venture with Daihatsu of Japan and will concentrate all its resources on developing its aerospace, rail transportation, defence products and snowmobile businesses.

Mr Laurent Beaudoin, chairman, told the annual meeting that the Venus project was unlikely *to show* a reasonable return over the short term.

Daihatsu is partly owned by Toyota, and Bombardier had spent nearly two years and several million dollars on feasibility studies for joint production of the Daihatsu Charade mini-car and the Rocky four-wheel-drive vehicle near Montreal.

A Japanese *trading house* recently tried to put pressure on Bombardier to go ahead, reporting in Tokyo that Bombardier was ready with a favourable response.

However, the Canadian company believes that the mini-car sector of the North American auto market is already overcrowded and that the Venus project could have been a loser.

Mr Beaudoin said *later* that the 50 per cent rise in the Japanese yen was a factor in Bombardier's decision. Daihatsu will introduce Japanese assembled Charades in California later this year, he said, but its North American assembly plans are now uncertain.

FRENCH GROUP BLAMES DOWNTURN ON CHERNOBYL DISASTER

Framatome sees profits fall after 1987 despite higher turnover

BY PAUL BETTS IN PARIS

FRAMATOME, the French nuclear power plant manufacturer 40 per cent owned by the Compagnie Générale d'Electricité (CGE) group, expects net earnings to increase to FFr 920m ($150.3m) this year from FFr 777m last year but then decline to FFr 800m next year and FFr 580m in 1989.

At the same time, turnover is expected *to rise to FFr 18.8bn this* year from FFr 13.2bn last year and then taper off to FFr 13.3bn next year and FFr 11bn in 1989.

Mr Jean-Claude Leny, Framatome's chairman, said the decline in sales and earnings next year reflected the expected slowdown of new orders in France's domestic nuclear industry, as well as the slump in exports caused by the repercussions of the Chernobyl nuclear disaster *last* year.

Indeed, Mr Leny said that the impact of Chernobyl was proving a far more serious problem for Framatome than the slowdown in the domestic *business. While the domestic* slowdown had long been expected, Framatome had hoped before Chernobyl to see its export business expand.

To compensate for the decline in its traditional nuclear activities, Framatome is now actively looking for diversifications. The French group has a war chest of more than FFr 2bn for acquisitions, and Mr Leny suggested his group could spend up to *FFr 5bn on a diversification* move.

Framatome is also collaborating for the first time with Kraftwerke Union (KWU), the nuclear power subsidiary of the West German Siemens group, in bidding for a contract to design a nuclear reactor for Indonesia. Mr Leny suggested yesterday that co-operation between the two companies could be extended, although this was likely to take time.

In contrast to the closer ties being forged with KWU, he said Framatome had been unable so far to reach a reasonable agreement to collaborate with Westinghouse. However, Framatome is discussing co-operation with the US Babcock Wilcox group in certain specific areas.

Despite the slowdown in the French nuclear sector, Framatome's *order book still totals a sub*stantial FFr 50bn, Mr Leny said. The French group also continues to have an extremely low debt level – FFr 90m this year, and expected to decline to FFr 70m next year, and to FFr 50m in 1989.

Consortium product from NCR

BY OUR FINANCIAL STAFF

NCR, the US *computer* group, has introduced a software program, called Design Advisor, that is the first commercial product based on technology developed by Microelectronics and Computer Technology.

MCT is the research consortium founded five years ago in response to fears that Japan would surpass the US in computer technology.

The product is a software program that assists in the design of computer chips, said NCR, one of the 10 companies that established MCT in 1982.

The company hailed the new software as *proof* that research carried out by MCT can result in commercially viable products.

The consortium's founder saw it as the US counterpart to Japan's "Fifth-Generation" programme, a government-sponsored project aimed at extending the *principles* of artificial intelligence to a computer that could emulate the human thought process.

But many in the computer industry doubted that MCT's members, which are competitors in many areas, could co-operate in the development and sharing of technology. The venture has suffered some setbacks, *losing some of its members.*

Yet the consortium membership, now numbering 20, includes some of the top players in the computer field, including Digital Equipment, Unisys and Hewlett-Packard, and it has a 1987 budget of $75m up from $65m last year.

Other consortium members such as Honeywell and Boeing began using MCT technology internally, but NCR is the first to bring a product to market.

Polaroid forecasts turnround in earnings

BY OUR FOREIGN STAFF

POLAROID, the US instant photo*graphy group, celebrates its 50th* anniversary this year with the strong prospect of record earnings for the first time in nine years.

Wall Street analysts expect Polaroid to exceed its *1978* record earnings level of $118.4m with profits of between $125m, or $4 a share, and $140m, or $4.50 a share.

Mr Eugene Glazer, an analyst at Dean Witter Reynolds, said: "After years and years of decline, there are real signs of a major turn*round.*"

Helped by a weaker dollar, a new camera, and Eastman Kodak's withdrawal from the instant photography market, Polaroid's earnings in 1986 nearly trebled to $103.5m after five years of meagre profits.

However, some analysts are raising questions about the long-term viability of instant photography. First created by Polaroid in 1948, consumer instant photography remains the best known aspect of the company and accounted for more than half of its $1.63bn revenues in 1986.

Analysts estimate that the Spectra instant camera accounted for 600,000 out of Polaroid's 4.3m camera sales last year, but many wonder how easily the number will be reached this year.

Mr Michael Ellman, an analyst at Wertheim Schroder, said: "Polaroid is in the declining phase of consumer instant photography." Polaroid instant camera sales had declined by 10 per cent each year since 1979.

Mr Macallister Booth, Polaroid chairman and chief executive, affirmed the company's confidence in instant photography: "We believe that the biggest short-term leverage is in the amateur business. If you only have 4 to 5 per cent of the mar*ket-place, it seems to me the quick*est opportunity (to *increase* earnings) is going from 4 to 5 per cent."

He said Polaroid would intensify Spectra marketing "to increase public awareness that Spectra is a heck of a lot better than anything we've had before."

New player enters bid battle for JWT

BY CLAY HARRIS AND NICKI TAIT IN LONDON

ANOTHER player yesterday appeared to be considering whether to enter the battle for JWT, the US advertising agency, facing a hostile bid from WPP, the small UK marketing services company.

The new rival offer would be separate from a defensive plan which JWT management and Merrill Lynch, the US securities house, are believed to be considering. It would involve a break-up of JWT.

Lazard Freres, the US investment bank, was reported to be canvassing support for such an offer, but it refused yesterday in London to comment on the rumours.

Meanwhile, Mr Martin Sorrell, WPP chief executive, and Mr Robert Lerwill, finance director, have returned to New York to press the case for their bid.

Separately, British & Commonwealth Holdings continued to try to deny speculation that it planned to use its 24 per cent owned associate, Wood Brigdale Nisbet & Robinson, the advertising agency, as a vehicle for buying into JWT.

Mr John Gunn, chairman, insisted that, if B&C was approached with an offer of parts of JWT, it would consider the question. It did not plan to take any initiative. "We are reactive in the whole thing, if anything at all," he said.

NOTICE OF PREPAYMENT

The Mitsui Trust & Banking Co., Ltd. (London Branch)

US$10,000,000 FRCD's DUE 1988 (callable in 1987)

Nos. F000001 to F000020

Notice is hereby given that in accordance with the early redemption clause of the above Certificates of Deposit, the Mitsui Trust & Banking Co., Ltd. will prepay the principal amount of the above Certificates together with interest due on 6th August, 1987.

Samuel Montagu & Co. Limited

Agent Bank

ANGLIA BUILDING SOCIETY

£150,000,000 Floating Rate Notes 1996

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the three month period 23rd June, 1987 to 23rd September, 1987 has been fixed at 9.33 per cent. per annum. Coupon No. 4 will therefore be payable on 23rd September, 1987 at £2,351.67 per coupon from Notes of £100,000 nominal and £117.58 per coupon from Notes of £5,000 nominal.

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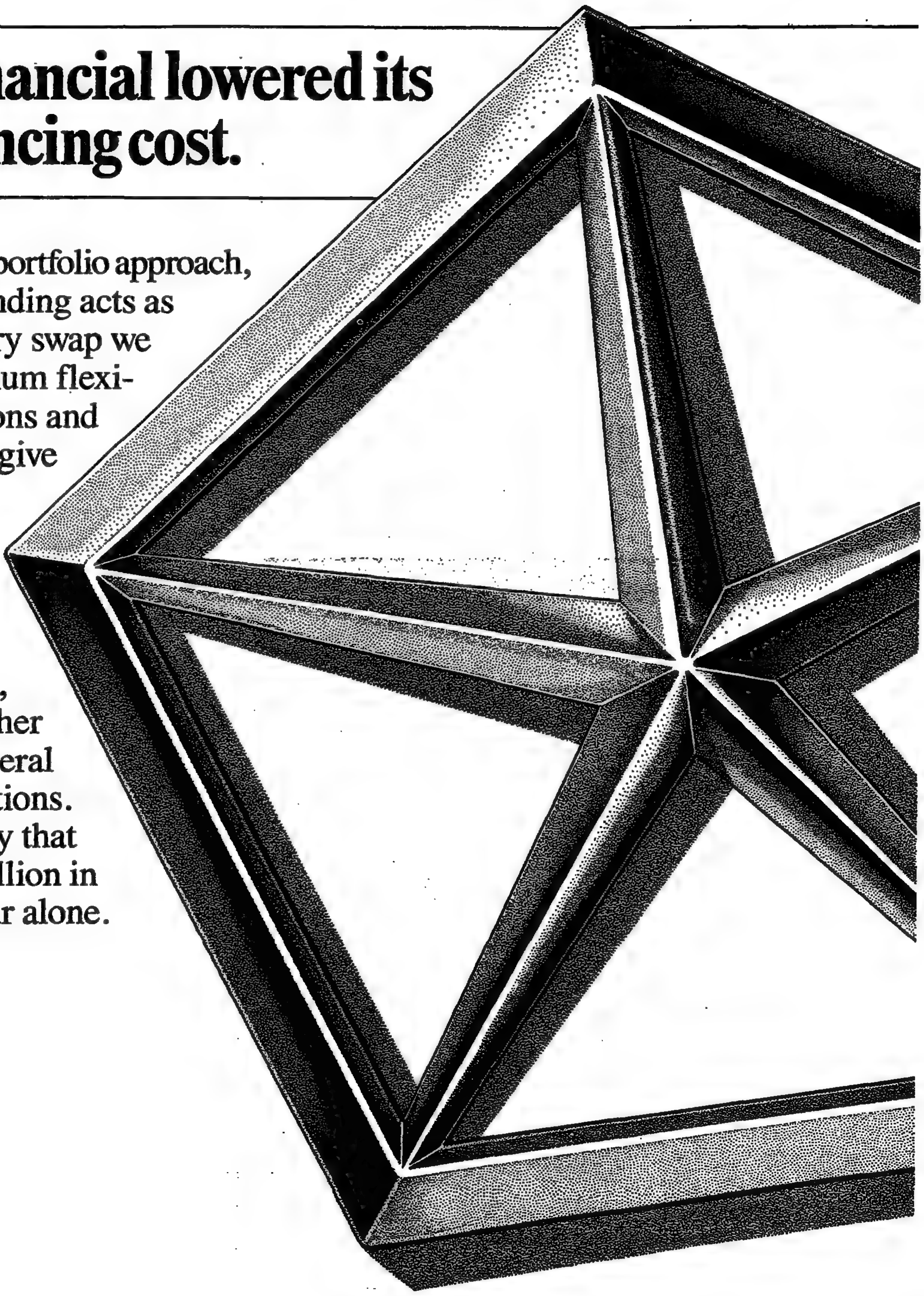

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Slow start to Philippines privatisation programme

TALKING ABOUT selling off Philippine government controlled companies in a nationwide privatisation programme has proved much easier than actually letting go of the goods.

Philippine Airlines, the national carrier, the historic Manila Hotel, and, most recently, parts of Philippine National Oil Corporation (PNOC) have all come tantalisingly close to falling under the auctioneer's gavel. *None of them* made it—halted, it appeared, either by a change of heart by the respective company's government appointed manager or by a behind-the-scenes political rethink.

Last week President Corazon Aquino pushed the government controlled financial institutions to speed up the privatisation of five banks that the World Bank *has made a condition of a* $310m economic recovery package. As a result, this week Bank of Boston was able to agree the purchase of Commercial Bank of Manila after months of delay.

However, the major government assets—those that have attracted *most international* interest and have already been put in a show case by Mr Jaime Ongpin, the Finance Secretary —remain firmly in government hands.

The delays are *particularly* puzzling given the public support President Corazon Aquino has given to privatisation in speeches and in a decree signed last December. Some frustrated senior *Finance Department* officials accuse Mr Joker Arroyo, Mrs Aquino's closest adviser, of dragging his feet because he does not see the need to privatise and is suspicious about foreign investment.

Others, like Mr David Sycip, the director of the Asset Privatisation Trust, which is slowly selling off non-performing government assets, say the problem stems from a "psychological tendency" among appointed government caretakers not to manage themselves out of a job.

In each of the biggest cases, there are different reasons given why deals did not push through. Philippine Airlines should be reorganised and made profitable before it is sold; the magnificent Manila Hotel should be held for its historic ties with General Douglas MacArthur, who is idolised by older Filipinos and made it his headquarters before the war; PNOC's sale should be delayed to allow more study of its strategic importance to the country by the new government appointee dominated board which came in after a previous board had already agreed to sell.

Mr Jaime Ongpin (right), the Philippines Finance Secretary, says the credibility of privatisation and the Aquino government is on the line. Richard Gourlay reports from Manila on the puzzling delays to the plan to *sell off up to $1bn of* state-owned assets

The amounts involved are not small. The 121 government owned and controlled companies identified for privatisation could be sold for $1bn, according to Mr Eduardo del Fonso, deputy finance secretary. He also recognises that investors need to be shown there is no change in government policy.

"The government should send a strong signal to existing and future investors that it has no intention of competing in their markets," he said.

Mrs Aquino could end with a stroke of her pen the debate that has set her top political and economic cabinet ministers at odds. She has to approve the privatisation of each government company but has so far resisted, despite pressure from Mr Ongpin.

"The credibility of privatisation and the Aquino government is on the line," he said in a letter to her last month after the privatisation of PNOC ground to a halt.

When presidential approval is in place things move somewhat faster. The Asset Privatisation Trust, a body set up to sell non-performing and foreclosed assets taken over by two government banks, has started regular auctions and hopes to retrieve $1.2bn over five years.

Mr Vicente Paterno, a senator-elect, and former chairman of PNOC says he will champion privatisation once the new Congress sits in July. He says responsibility for the asset sales must be transferred to bodies, like the Asset Privatisation Trust, which are set up exclusively to privatise companies. If this does not happen the programme may remain in limbo with investors wondering just how seriously the government follows its professed maxim of keeping government out of business.

Saudi money changer given banking licence

BY FINN BARRE IN RIYADH

AL-RAJHI INVESTMENT, Saudi Arabia's largest money changer, has been granted a full local banking licence, becoming the first to graduate from this substantial but often turbulent sector into direct competition with the kingdom's 11 existing commercial banks.

At the same time the company, owned by four brothers from the Al-Rajhi family, has unveiled plans for a share flotation which could value it at up to 750m riyals ($200m).

Although its adoption of banking status is expected to require the sale of almost 660m riyals in property and industrial investments, the size and scope of Al-Rajhi's established activities in foreign exchange and deposit taking leave it well placed to develop its financial operations.

It has some 226 retail branches, or 25 more than National Commercial Bank, the biggest Saudi bank. Assets are put at more than 16.6bn riyals —even allowing for disposals this ranks it as high as third, behind NCB and Riyad Bank. It is already a member of the kingdom's cheque clearing system.

Saudi Arabia has five large money changers and more than 20 *smaller* operations. They make money from exchanging currencies and writing drafts that are sent home by expatriate workers in the country.

Money changers are *considered "people's banks"* because they have convenient hours, are located all over the kingdom, give better exchange rates than banks, and accord with Islamic principles while banks are often distrusted on religious grounds.

The money changers grew as the economy grew, and began offering services such as taking deposits. They were uncontrolled until 1981, when the Abdullah Saleh Al-Rajhi Company collapsed. The government is still sorting out the mess.

The Abdullah Saleh Company was unrelated to the larger Al-Rajhi, but the impact of its collapse prompted the government to order money changers to cease all their quasi-banking activities.

The deadline for this was 1984, but the slow pace of change has kept it from being implemented on the big five—Al-Rajhi, Kaaki, Ahmad Hamad Algosaibi, and two other unrelated Al-Rahji companies, *Al-Rajhi Trading Establishment* and Al-Rajhi Commercial Establishment for Exchange. Both Algosaibi and Al-Rajhi Commercial say they have filed applications with the Saudi Arabian *Monetary* Agency (Sama) to become banks.

The flotation of Al-Rajhi shares is expected to take place in late September at the earliest. It is estimated that the new company *will be* capitalised at between 600m riyals and 750m riyals, with half being retained by the family, 2 per cent going to employees, 5 per cent to founding shareholders and 43 per cent to the public.

In anticipation of a flotation, large deposits have already been made in an attempt to secure shares in Al-Rajhi.

The exact nature of its future operations remains unclear. Because the money exchanger has always scrupulously maintained its Islamic credentials by neither giving nor taking interest, it is thought likely to become an Islamic bank. Several such institutions have been seeking bank licences, but none has been granted so far, mainly because admission of Islamic banks begs the question as to why non-Islamic banks are permitted in the kingdom.

It has also not been resolved whether Al-Rajhi will be forced *to change its operating hours*. While banks close at 5 pm or 6 pm, the money exchangers stay open until 8 pm. This gives them much of the market for labourers who can obtain cash only after finishing their jobs for the day.

One banker estimated that the money changers account for 80 per cent of all remittances sent from Saudi Arabia. With a foreign workforce numbering up to 4m, this is a substantial business.

Bankers are unsure what the effect of an AL-Rajhi bank will be on the market. Most hope that 17 will keep to collecting low-cost deposits, and will not poach much business.

In any event, the approval granted to AL-Rajhi marks the *coming of age of the* kingdom's money changes, and the presence of a big new player in the banking sector.

Papua New Guinea gold find progress report

BY CHRIS SHERWELL IN SYDNEY

THE PORGERA gold find in *Papua New Guinea will produce* more than 800,000 ounces of gold a year in its first five years of operation, the three joint venture partners mining it confirmed yesterday.

In a progress report, they added that output would average 640,000 ounces annually for the first 10 years—confirming that Porgera, located in the *remote* western highlands of the country, is one of the largest undeveloped gold deposits in the world.

The deposit is being developed by a consortium linking Placer Pacific, MIM Holdings and Renison Consolidated Gold Fields, with management in the hands of Placer.

According to yesterday's announcement, formal discussions on a mining development agreement for Porgera opened on June 9 with the Papua New Guinea government, and will continue at regular intervals *through the rest of the* year. A draft feasibility study will then be presented to the government in February 1988.

The announcement also said *that an exploration adit driven* into the high-grade zone of the find had now reached 1,369 metres of its planned 1,500 metre length. Surface exploration suggests that in situ geological reserves total 400 tonnes of gold.

MIM—which has main Australian activities covering copper, silver, lead, zinc, nickel and coal—plans to include its one-third share of Porgera as the main asset in the flotation of its interests in Papua New Guinea.

The new company, called Highland Gold, was scheduled to be floated in March, but this was put off because of political controversy over the issue. No firm decision on the timing is now likely until after a new government is formed following the general election now under way.

In recent months MIM's share price has shown considerable improvement on the levels seen *in the past three years, partly* because of a recovery in some metal prices on the commodity markets.

Air New Zealand alarmed by competition

BY DAI HAYWARD IN WELLINGTON

AIR NEW ZEALAND, the national flag carrier in which the public is to be offered a quarter share under government budget plans unveiled a week ago, yesterday expressed alarm at intensifying competition on its routes.

It was reporting net profits of NZ$179m (US$104.8m) for the year to March, down from NZ$186.5m *despite* a 10.5 per cent boost in revenues to NZ$1.4bn from NZ$1.26bn. Earnings figures for both years included proceeds from the sale of four aircraft.

Strong warnings against efforts by large American airlines to dominate world air routes were given both by Mr Hugh Fletcher, the chairman and Mr Norman Geary, chief executive.

They said four or five of *what they described as* "US mega-carriers," formed following mergers and takeovers, were now using their large home base to attempt a "globalisation" of the world irways. These carriers were airways. These carirers were and dumping surplus seat capacity on recognised routes.

Mr Geary said this applied notably to the Hawaii-New Zealand route. Unless some intervention occurred to control *the trend, there would* be airline mergers in Europe and elsewhere.

Mr Fletcher, hinting that Air New Zealand was already strengthening its ties with other airlines, said expansion moves from the US exacerbated "the festering problems of overcapacity and unrealistic low fares."

They attributed the lack of profits growth to increased competition in an unstable environment as well as higher costs associated with its expanding its route structure.

AIBD BOND INDICES

WEEKLY EUROBOND GUIDE JUNE 19 1987

	Redemption Yield	Change on Week %	12 Months High	12 Months Low
US Dollar	9.414	−1.165	9.702	8.440
Australian Dollar	13.930	−0.628	14.735	13.114
Canadian Dollar	10.362	−0.652	10.776	9.372
Euroguilder	6.135	−0.098	6.250	5.804
Euro Currency Unit	8.626	1.161	9.041	8.219
Yen	5.818	3.248	6.530	5.218
Sterling	9.824	1.331	11.609	9.443
Deutschemark	5.943	0.524	6.638	5.890

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INTERNATIONAL CAPITAL MARKETS and COMPANIES

$200m Nippon Shinpan deal leads Japanese rush

BY CLARE PEARSON

EQUITY WARRANTS issues for Japanese borrowers continued to flow into the Eurobond market yesterday, even though the secondary market was still struggling to regain its poise after the sharp fall in Tokyo share prices earlier in the week.

Eurodollar fixed rate bonds closed around ½ percentage point lower as the dollar weakened on remarks from the Bank of Japan suggesting that the yen was not likely to depreciate much further.

Euroyen prices, however, failed to derive much benefit from the dollar's easing, and closed between ¼ and ½ point lower, still depressed by overnight falls in the Japanese government bond market. A recent Y15bn bond for Ford Motor Credit was quoted at less 1⅞ bid, the level of its total fees.

The most substantial of yesterday's five-year offerings in the equity warrants sector, which all carried indicated 1⅝ per cent coupons, was a $200m bond for Nippon Shinpan, the Japanese consumer credit concern. The deal was led by Daiwa Europe, but Nomura International is expected to arrange a $200m Asian issue for the borrower.

Meanwhile, Nikko Securities led a $100m bond for Yamanouchi Pharmaceutical, which met firm demand and traded at around 99½ bid, compared with its par issue price. The other deals were a $50m bond for Shinagawa Fuel, led by Yamaichi International (Europe), and a $100m bond for Okumura, the construction company, led by Daiwa Europe.

Elsewhere, S. G. Warburg Securities caused a stir among the houses active in the Australian dollar market with an A$75m 14 per cent five-year issue for GTE Finance, priced at 101⅞.

The bond looked expensive compared with oustanding deals in the market, especially

INTERNATIONAL BONDS

as a bond for Credit Lyonnais Australia also appeared yesterday with a 14 per cent coupon. Yet the bond traded at around less 1½ bid, well inside its fees.

Dealers said they believed Warburg was carrying out a "bear squeeze" on the issue, penalising those who had made short sales after the bond's announcement.

Warburg declined to comment. But it said that it had given protection (the assurance that underwriters would receive a given percentage of the issue amount) to those co-managers who had asked for it.

Hambros Bank's four-year issue for Credit Lyonnais Australia, priced at 101½, originally amounted to A$50m but was later increased to A$65m. It traded around its 1⅞ per cent fees.

Kreditbank led an Ecu 50m eight-year 7⅜ per cent bond for Solvay Finance (Bermuda). The par-priced bond will be redeemed in Belgian francs.

In the D-Mark market, prices rose strongly helped by the weaker dollar. Thirty-year bonds were back in demand, rising by up to 1½ points, and shorter-dated bonds gained around one point.

Two recent issues, for the World Bank and Canon Europa, improved by around ½ point.

In Switzerland, prices of fixed rate bonds moved slightly higer but interest again focussed on equity linked issues. A SFr 50m 2½ per cent gold warrants issue for Christiania Bank closed its first day's trading at 95½ compared with par issue price. Dealers said there was little interest in gold-linked bonds at the moment.

Credit Suisse led a SFr 100m five-year bond for Seibu Credit. The bond carries an indicated ⅝ per cent coupon.

● Schindler, the Swiss lift manufacturer, is making an international issue of 200,000 bearer participation certificates, which will expand its equity base by about 20 per cent and is expected to raise about SFr 170m.

The shares, which are expected to be priced on July 2 based on the close of that date, are being offered through a group of banks led by UBS (Securities). The shares closed at SFr 850 yesterday.

Tokyo eases rules for Euroyen issues

BY YOKO SHIBATA IN TOKYO

THE JAPANESE Ministry of Finance is to allow resident companies to issue floating four-year Euroyen bonds with effect from next month. These instruments were first permitted in May this year, but have been limited so far to sovereign borrowers.

The MoF's decision to lift the ban on four-year Euroyen bonds will also apply to non-residents, such as foreign banks, as well as Japanese companies.

Issuance of four-year Euroyen bonds by residents will coincide with the start of four-year corporate bonds in the domestic market. Maturities of domestic corporate bonds have hitherto been limited so six, seven, 10, 12 and 15 years. This is principally in order to avoid clashing with the debentures issued by the three long-term credit banks and a few other specialised institutions.

The Securities and Exchange Council, an advisory body to the MoF, recommended late last year that the ministry lift its ban on four-year domestic bonds. It argued that a broader spread of bond maturities would help to broaden and revitalise the domestic issue market.

Italy and Belgium have already issued four-year floating Euroyen bonds.

Some Tokyo brokers doubt whether four-year Euroyen bond issues by resident companies are feasible at present, since withholding tax will be levied on the interest earned.

The MoF intends to remove this as part of the scheduled revision of the tax system due to take place in the next fiscal year, starting in April 1988.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Closing prices on June 24

US DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Abbey National 7[illegible] 92	200	94	[illegible]	[illegible]	[illegible]	9.05
A/S Eksportfinans 7[illegible] 91	200	[illegible]	[illegible]	[illegible]	[illegible]	8.87
A/S Eksportfinans 7[illegible] 92	150	[illegible]	[illegible]	[illegible]	[illegible]	8.49
Austria 7[illegible] 97	200	[illegible]	[illegible]	[illegible]	[illegible]	9.05
BP Capital 9[illegible] 94	150	102	[illegible]	[illegible]	[illegible]	8.68
British Telecom 7[illegible] 96	250	[illegible]	[illegible]	[illegible]	0	9.09
Campbell Soup 10[illegible] 95	100	[illegible]	108	[illegible]	[illegible]	9.18
Canada 9 96	1000	[illegible]	[illegible]	0	[illegible]	8.72
Canadian Pac. 10[illegible] 93	100	[illegible]	[illegible]	0	[illegible]	9.47
CCCE 7[illegible] 91	115	[illegible]	[illegible]	[illegible]	[illegible]	8.42
CNCA 7[illegible] 91	150	95	[illegible]	[illegible]	[illegible]	8.56
Citicorp 8[illegible] 93	200	[illegible]	[illegible]	[illegible]	[illegible]	9.01
Credit Lyonnais 9 91	200	[illegible]	[illegible]	[illegible]	[illegible]	8.52
Credit National 7[illegible] 92	150	[illegible]	96	[illegible]	[illegible]	8.51
Credit National 9[illegible] 93	150	[illegible]	[illegible]	[illegible]	+2	8.59
Credit National 7[illegible] 91	200	[illegible]	[illegible]	[illegible]	0	8.40
Denmark Kingdom 7[illegible] 92	500	[illegible]	[illegible]	[illegible]	[illegible]	8.59
Denmark Kingdom 8[illegible] 91	300	[illegible]	[illegible]	[illegible]	0	8.70
EEC 7 91	100	[illegible]	[illegible]	[illegible]	[illegible]	8.26
EEC 8[illegible] 96	100	[illegible]	[illegible]	[illegible]	[illegible]	8.77
EEC 7[illegible] 93	250	94	[illegible]	[illegible]	0	8.55
EIB 7[illegible] 93	100	[illegible]	[illegible]	[illegible]	0	8.79
Finland 7[illegible] 97	200	[illegible]	[illegible]	0	[illegible]	9.21
Finland 7[illegible] 93	200	[illegible]	[illegible]	[illegible]	0	8.75
Ford Motor Cred. 10[illegible] 91	150	[illegible]	[illegible]	[illegible]	[illegible]	8.66
Ford Motor Cred. 11[illegible] 90	150	[illegible]	[illegible]	[illegible]	[illegible]	8.49
Gen. Elec. Cred. 10[illegible] 00	200	[illegible]	[illegible]	[illegible]	[illegible]	9.77
Hoesch 7[illegible] 92	100	[illegible]	[illegible]	[illegible]	[illegible]	8.18
Hoesch 7[illegible] 94	300	[illegible]	[illegible]	[illegible]	[illegible]	8.90
Hoesch 8[illegible] 97	100	[illegible]	[illegible]	[illegible]	[illegible]	9.03
Liberty Mutual 8[illegible] 96	150	[illegible]	[illegible]	[illegible]	[illegible]	9.06
LTCB of Japan 8 91	100	[illegible]	[illegible]	[illegible]	[illegible]	8.42
LTCB of Japan 8 97	200	[illegible]	[illegible]	[illegible]	[illegible]	9.22
Merck-Benz Cred. 7[illegible] 93	100	[illegible]	[illegible]	[illegible]	[illegible]	8.16
Mitsubishi Fin. 7[illegible] 93	100	[illegible]	[illegible]	[illegible]	[illegible]	9.15
Mutual America 7[illegible] 92	200	[illegible]	[illegible]	[illegible]	[illegible]	8.92
Norway Kingdom 7[illegible] 91	500	96	[illegible]	[illegible]	[illegible]	8.38
Pepsico Inc. 7[illegible] 93	200	[illegible]	[illegible]	[illegible]	[illegible]	8.63
Qantas Airways 10[illegible] 95	140	[illegible]	[illegible]	[illegible]	[illegible]	9.21

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Volcker voices doubt on Third World debt provisions

By David Lascelles in Hamburg

MR PAUL VOLCKER, chairman of the US Federal Reserve, yesterday questioned whether US banks should be allowed to include their growing provisions against Third World loans in their primary capital.

According to bankers attending a closed session of the International Monetary Conference, Mr Volcker commented that these provisions did not readily fit the definition of primary capital, which was a pool of resources generally available to meet banks' losses.

Because the provisions were, in many cases, earmarked for losses to specific Third World countries they were a cost of doing business rather than a cushion against loss.

At a subsequent news conference, Mr Volcker declined to comment on the issue, though another US regulatory official said: "This is something we are thinking about."

In the US, banks are allowed to count their entire loan loss reserve as primary capital, which in turn dictates how large a balance sheet they may have. This was a major reason why US banks were prepared to make the billions of dollars worth

Mr Paul Volcker: remarks raise question of amending US definition of capital

of provisions they have announced in recent weeks: this did not affect their capital position.

In other countries, such as the UK, banks distinguish between general provisions, which are available to meet any losses and count as capital, and specific provisions, which cover an identified credit risk and do not.

The question raised by Mr Volcker's remark is whether the US can or will amend its definition of capital. His immediate departure from the Fed chairmanship is unlikely to abate the issue because other senior regulatory officials such as Mr Gerry Corrigan, president of the New York Fed, are also considering it.

Some US bankers expect to see action in the months ahead, though the elimination of specific provisions from capital would have to be a gradual process to avoid shocks to the system. One possibility is that only provisions for which banks have obtained tax relief would be affected — and so far this would apply to only a small portion of the money set aside by banks for the Third World loans.

Mr John Reed, the chairman of Citicorp, which started the provisioning process with its $3bn charge last month, said he was "greatly encouraged" by Mr Volcker's comments. Citicorp had not taken any tax benefits on its provisions, he said.

A further consideration is the divergence of practice between the US and the UK at a time when the two countries' banking authorities are trying to harmonise their capital adequacy standards.

Mr Volcker agreed that there were what he called "small problems of the definition of capital" to be resolved before the accord could be put into place. But he described them as minor and forecast that it would become operative within six months to a year.

Mr Robin Leigh-Pemberton, Governor of the Bank of England, said that banks should not try to create a basket of reserves against Third World debts calculated as a proportion of their total exposure. Instead, they should assess each country individually. This was "more scientific," he said.

MoF restricts insurers

THE JAPANESE Ministry of Finance has no plans to allow life insurance companies to start over-the-counter sales of government bonds, Reuter reports from Tokyo.

However, life insurance executives expect the ministry to allow direct sales in response to the industry's lobbying. The ministry is likely to impose guidelines

Alexander Nicoll explains the abrupt retreat of a market-maker

Lloyds challenges the herd instinct

LLOYDS BANK'S withdrawal from the Eurobond and UK government bond markets, announced to shocked traders last Friday, dramatically challenges the herd instict which has been drawing international banks into the securities markets.

As debt has increasingly taken the form of securities instead of loans, commercial banks have felt impelled to establish capital markets operations so that they could continue to compete for the business of their long-standing corporate customers.

Lloyd's after following this trend by attempting to build a presence in securities markets, has abandoned the global approach. Though there are some big banks that have never embarked on this path, Lloyds is believed to be the first to do so and then reverse its course.

Instead, it is opting to be a niche player. The new strategy means that individual niche businesses must earn adequate returns in their own right. Both Eurobonds and gilts were deemed unlikely to be sufficiently profitable for years to come.

Mr Robert Owen, chief executive of Lloyds Merchant Bank, explaning the change yesterday, said that the decision to pull out of the overcrowded Eurobond market—in which it had operated for many year though never as a major player—represented the principal element of a review of the bank's strategy in the securities field.

The decision to withdraw from the newly restrctured gilts market—only eight months after Lloyds had begun operations as a primary dealer with a newly-hired team—was a logical consequence of the broader review.

"Eurobonds were perceived to be part of a securities strategy," Mr Owen said. "If you have a securities strategy, you have to have a certain volume of products to play with, and gilts were one of those products. If you change the securities strategy away from a global approach to a niche approach, the rationale for being in gilts is substantially reduced."

The Eurobond market has seen a huge increase in competition in the past few years. Banks have been establishing capital markets operations at a fast pace—Banque Nationale de Paris, for example, recently opened a new unit in London. Over the past year, Japanese securities houses and banks have added to the overcrowding by launching an onslaught which has pushed them high up the league tables.

The competition is tougher in London because, unlike New York and Tokyo there is no legal separation of commercial and investment banking business.

The cut-throat bidding for new issue mandates is such, Mr Owen says, that "the terms on which you get the issue are almost in the nature of loss leaders." He believes most Eurobond market participants are not covering their full costs.

Despite this, many banks believe they must have a presence because Eurobonds are a crucial product which they must be able to offer their corporate clients. "I think the perception is fading now—but I think it's still there—that there is a prestige about being a co-manager or lead manager of a Eurobond issue," Mr Owen says.

Lloyds had led only one Eurobond issue this year. Its trading, however, had been quite substantial at between 400 and 650 Eurobond trades a day and 50 to 300 gilt deals, mostly driven

Mr Robert Owen: opting to be a niche player

by retail orders.

It still plans to be active in be active in other securities markets—it has applied for primary dealership in the US government bond market which it considers less crowded—and to maintain its presence in the commercial paper and swap markets. The swap book of Lloyds Merchant Bank alone is some $6bn. Traditional merchant banking activities will also continue.

It is pinning its strategy on the belief that the attitude of borrowers is changing. "Individual borrowers tend increasingly to go to particular houses for particular services, and in that context Eurobonds are not necessarily a core service."

Commercial paper, however, is viewed as a core product because it substitutes directly for bank lending. Mr Owen says that market operates on thin margins and depends on volume, and that Lloyds' business in it is profitable though less so than other areas of the bank.

That Lloyds will continue its operations in, for example, the West German government securities market and in UK agency stockbroking will come as small comfort to the 100 people whose jobs are directly affected by last week's decision. Lloyds has embarked on a major operation to find jobs—inside or outside the bank—for the staff.

The about-face on gilts is particularly surprising because Lloyds had apparently made a major commitment in the full knowledge that the market would be drastically overcrowded with 27 market makers and pulled out before its new team could be expected to have built a significant market share.

Mr Owen said the strategy change would have allowed Lloyd's to stay in gilts "if we had perceived that a presence in the gilts market would have been sufficiently profitable on a stand-alone basis. Our perception was that that is unlikely for a very long time."

Pointing out that the bank can still take positions in the gilts market through the parent bank's treasury operations and act as an agent, Mr Owen challenges the common assertion that a UK clearing bank should, by its very nature, be a market maker in domestic government securities.

"What are the privileges that you really get from being *a market maker in gilts which* make it so imperative?" he asks. It is a question which others among the 26 remaining primary dealers will be asking themselves as they contemplate the prospect of new competition if the Bank of England admits Japanese and other firms to the market later this year.

French plan settlement procedures reform

BY GEORGE GRAHAM IN PARIS

FRANCE'S BANKS plan a far-reaching reform of settlement and delivery procedures in the Paris bond and share markets.

New rules are to be set up compelling sellers to deliver their shares within five days of the transaction, and for payment to take place at the same time as delivery. Centralised computer systems will be installed by the end of 1988 to ensure that settlements are carried out on time.

At the same time, a system of stock lending and borrowing will be set up in France for the first time, to enable market participants to settle their transactions temporarily.

Mr Salomon Mizrahi, a partner in Arthur Andersen, the accounting and consultancy firm which has carried out studies for the project on behalf of the French banks, said the changes proposed would solve the difficulties which had arisen because of the exponential growth in the volume of shares traded in Paris and because of the development of block trading.

Delays in settlement were too long, he said, especially for those shares where certificates still have to be issued in the name of the owner.

Some shares, such as Michelin, are notorious for the length of time that elapses after a transaction before delivery takes place.

Mr Mizrahi said the delays had been a brake on the development of market making capacity in Paris, since dealers were afraid to quote net, fully inclusive prices to their clients when they were unsure that they would be able to take possession of the shares in time.

A new legal framework has already been passed which will allow the development of stock lending, and the main primary dealers in government bonds and bills are expected to take advantage of this to set up a stock loans system in the coming months. On the main stock market, the system is unlikely to be in place before the end of 1988.

The proposals, which are to be carried through by a series of working parties under the auspices of the French banking association, are seen as the essential practical underpinning for the more general stock exchange reform planned by the French Government.

The Bill which will carry through the reform — bringing the end of the French stockbrokers' closed shop and the entry of banks into brokers' capital — was approved yesterday by the council of ministers

● The Matif, France's financial futures exchange, has decided to delay until September the introduction of an option on its main long bond contract.

The exchange has already defined the details of the contract and named five market makers to ensure the options market's liquidity. However, Mr Gerard de la Martiniere, presi- of the Matif's regulatory body, said it had reluctantly decided that it would not be ready to start trading before the long summer holiday.

MIDDLE EAST DOWNTURN FAILS TO STEM RISE

Hong Kong boosts C & W by 15%

BY TERRY DODSWORTH, INDUSTRIAL EDITOR

A STRONG performance in Cable and Wireless's Hong Kong telephone subsidiary was the main factor behind a 15 per cent increase in pre-tax profits last year to £340m from £295m.

This was achieved on a turnover of £913m, up by only 1 per cent from £907m in the year to March 1986, and came despite a downturn in trading profits in the group's Middle East, African and Western Hemisphere activities. In the UK, where C and W's interests are mainly concentrated on Mercury, the recently-formed public telephone network operator, the group lost £4m, exactly the same as in the previous year.

Mr Gordon Owen, Mercury's managing director, forecast that the division would move into profit during the next six months, and said that it had plans to launch a national private residential subscriber service in the near future. Last year, Mercury's operating costs exceeded revenue by £19m against £15m in 1986. This figure was close to expectations, despite the increase in costs caused by the rapid expansion of demand in the City arising out of the deregulation of the Stock Market.

The company said the downturn in the Middle East, Indian Ocean and African region, where sales fell to £59m from £80m, and trading profits from £35m to £27m, was caused by the generally difficult economic conditions in the region. In the Western Hemisphere division, where sales fell to £235m from £223m, and profits to £31m from £33m, the results had been affected by narrow margins in the US telephone business.

Commenting on the status of C and W's attempts to try and break into the Japanese market, Mr Brian Pemberton, chief operating officer, said the outlook seemed to have improved after encouraging comments from Mr Yasuhiro Nakasone, the Japanese Prime Minister, and pressure on the Japanese from the US. Prospects of an agreement on C and W's original terms were "high," he said.

Interest costs fell last year to £20m from £27m after interest and other income increased as a result of the rights issue in March 1986 and profits from the sale of shares received as scrip dividends from the Hong Kong Telephone Company. The scrip issue sale realised gains of £6m, while exchange gains from the repayment of overseas loans generated another £8m. The company added that pre-tax profits were approximately £34m lower than they would have been at the previous year's exchange rates.

After a tax charge down to £73m from £80m, the profit attributable to ordinary shareholders increased to £224m from £180m, with earnings per share up by 14 per cent to 22p from 19.3p. Directors are recommending a final dividend of 3.5p a share against 3p, making a total dividend for the year of 5.55p, an increase of 17 per cent over the 1986 dividend of 4.75p.

See Lex

Brian Pemberton, chief operations officer of Cable and Wireless, at the press conference yesterday

An end to GPG dispute in sight

By Hugo Dixon

A resolution of the dispute between Guinness Peat Group, the financial services concern, and its largest shareholder, Equiticorp, the New Zealand investment company, seems likely following Guinness Peat's decision on Tuesday to invite two of Equiticorp's nominees on to the board.

Equiticorp, run by Mr Allan Hawkins, the corporate raider, has built up a stake of 28 per cent in Guinness Peat through Capitalcorp, its Hong Kong subsidiary.

It originally wanted three of its nominees on the board —Mr Hawkins, Mr Grant Adams, chairman of Capitalcorp, and Mr Peter Hunt, its managing director. Earlier this month, after what Mr Hawkins described as "procrastination" by Guinness Peat, it issued a notice requisitioning an extraordinary general meeting of the group's shareholders to achieve its purpose.

The board of Guinness Peat has now formally invited Mr Hawkins and Mr Adams to join it, but not Mr Hunt. A spokesman for Guinness Peat said: "Mr Adams and Mr Hawkins are both fairly senior people in their own right. Mr Hunt, who is much younger, we don't know in sufficient depth."

Capitalcorp welcomed the invitations in a statement issued yesterday, but will not make a formal response until next board meeting.

"We understand these invitations are conditional only upon Capitalcorp withdrawing its requisition of an extraordinary general meeting," it said.

Guinness Peat said an earlier condition which would have required the new directors to agree to the group's overall strategy before joining had been dropped.

AEC suspended

Dealings in the shares of American Electronic Components were suspended yesterday at 35½p following a request from the USM-quoted company.

Stockbrokers are expecting an announcement tomorrow concerning AEC's future — they did not rule out the possibility that a bid was about to be made for the company.

Lord Cayzer sees new era at B & C

BY CLAY HARRIS

LORD CAYZER, retiring after 30 years as chairman of British and Commonwealth Holdings, told shareholders yesterday that a "new exciting era" was beginning and that they could view the future with confidence.

Trading throughout the group was performing in line with budgets. "We have set ourselves new horizons and are confident of achieving them," Lord Cayzer said.

His final adress as chairman only came two days after the announcement that Caledonia Investments, controlled by the Cayzer family, would reduce its stake in B & C from 31.3 per cent to 4.9 per cent by selling shares back to the financial services and industrial group for £427.5m.

The deal would "enable Caledonia and B & C to pursue their own separate courses of development with vigour, whilst offering the opportunity for enhanced rewards to the remaining shareholders of B & C."

His successor as chairman, Mr John Gunn, estimated that the deal, which will involve the cancellation of 90m of the company's 324m shares, would improve earnings per share by more than 10 per cent each year starting in 1988.

Mr Gunn said that B & C had shelved plans to introduce outside capital into Bricom, the division set up to hold its non-financial activities, because "it could have opened us to potential criticism that we had sold something off too cheaply or too soon."

Lord Cayzer turned aside criticism from one shareholder about the disparity between B & C's contribution of £91,500 to the Conservative Party and its total charitable donations of £76,000 last year.

He had already welcomed the result of the general election, telling shareholders: "It has seemed clear to me that to support the policies of the Conservative Party was in the best interests of us all."

Sherwood pays initial £0.5m for Mitronix

By Philip Coggan

Sherwood Computer Services, the USM-quoted computer bureau and software company, has announced details of its acquisition of Mitronix Computing, a computer systems supplier, and ofthe establishment of a new company, Sherwood Network Services.

Initial consideration for Mitronix will be £545,000 satisfied by the issue of 147,648 ordinary shares, of which just under 99,000 have been conditionally placed with institutions at 370p each. Further payments will also be in shares and will be dependent on future profits.

In the year to September 30, Mitronix made pre-tax profits of £75,000 on turnover of £900,000.

Sherwood will subscribe for 568 B shares in Sherwood Network Services, 64 per cent of the equity, while 283 A shares will be retained by directors and major shareholders of Mitronix. Sherwodo has an option to buy the A shares in 1991.

Molex pays £4.2m for 6% stake in Dubilier

BY NIKKI TAIT

Molex Inc, the large Chicago-based electronics group, has agreed to put up £4.2m for 6.01 per cent in Dubilier, the electronic components and connectors manufacturer, following a distribution agreement between the two companies.

To cement the marketing link, Mr Fred Krehbiel, executive vice-president of Molex, will join the Dubilier board as a non-executive director. Shares in Dubilier added 12p to 204p yesterday.

Under the deal, Dubilier's connector products will be sold through Molex's marketing and distribution network. This will have particular benefit in areas where the British company currently has no representation, such as the Far East, maintains Mr Chris Bean, Dubilier's managing director. He estimates that the effect of the deal in three years could be to add £10m to sales.

In the year to end-September 1986, Dubilier reported turnover to £35.4m.

Molex will acquire its stake by subscribing for 2.1m shares at 200p. It has undertaken not to sell the shares for two years and not to increase its holding beyond 9.9 per cent within the same period.

Molex itself is traded on NASDAQ in the US and is also listed in Paris and London. It manufactures and distributes a range of electrical and electronic devices and in the nine months to end-March 1987 had sales of $282m (£175m) and pre-tax profits of $55m.

Richards (Leicester) price climbs after 29% switch

BY NIKKI TAIT

SHARES in Richards (Leicester), a holding company with interests in engineering and foundries, jumped 25p to 130p yesterday on news that a long-established 28.9 per cent stake in the company has changed hands.

The shares have been held for the past 10 years by Stainborough Securities, an investment company. One of its directors, Mr Gordon Bramah, has a non-executive post on the Richards' board. They have now been sold to two associated companies — Tair Financial, which is based in Houston, Texas, and will hold 20.65 per cent, and Pexion, a London-based company, which takes the remaining 8.26 per cent.

Yesterday, neither Mr Bramah nor any other director of Richards was available for comment. However, the company's brokers, Smith Keen Cutler, said they understood that both were investment holding companies, representing the private interests of a couple of individuals working in the oil industry.

The brokers added that they believed the shares had been bought as an investment, and although board representation might be sought there was no current intention to make a full bid.

Richards which was loss-making in the early eighties, has been back in profit for the past two years and has returned to the dividend list. In 1986, it made £233,697 before tax on sales of £8.3m. At the current price, it is capitalised at £2.6m.

UK COMPANY NEWS

Strong advertising helps Anglia TV to 26% rise

Anglia Television, the independent television contractor for the east of England, yesterday announced a 26 per cent increase in pre-tax profits to £5.3m for the first half of the financial year after a period of buoyant advertising revenue.

During the period, Anglia, like all the other ITV companies, benefited from the healthy increase in television advertising. It succeeded in outperforming the rest of the industry, however, by increasing its revenue by 14.2 per cent compared with an average of 12.8 per cent for the network.

Mr David McCall, chief executive, said Anglia had benefited from both the "aggression" of its sales force and from the expansion of East Anglia as a region. He said that the advertising market was still "bullish" and that the company was confident that this strength would be sustained.

In the six months to April 30, group turnover grew to £39.76m (£35.13m) and operating profits to £13.48m (£11.48m). The company's subscription to Channel 4 increased to £5.58m (£5.27m) and its contribution to the Exchequer levy on ITV profits to £2.56m (£1.98m).

Oxford Scientific Films, an associated company which produces specialist natural history programmes, contributed a loss of £36,000 (£25,000) although Mr McCall expects to see it return to profit next year.

Although the taxation rate fell slightly, Anglia paid an estimated £1.92m (£1.59m) in tax. Earnings per share rose to 21.28p (17.83p) and the board is to pay an interim dividend of 4.5p (3.75p).

Anglia mounted a rights issue in January to raise £8.5m in order to finance its proposed investment in BSB, the British direct broadcast by satellite project. It benefited from the interest on the rights proceeds during the first half, but in the second half it will pay the first instalment on the £10m to be invested in BSB over the next three years.

● comment

Unfortunately for Anglia the City's love affair with the television sector is over. In the last year or so television stocks have boomed, fuelled by a buoyant advertising market, a flurry of flotations and a clement political climate. Advertising revenue should slow down in the summer months and the flotations have ground to a halt. But it is the political problems—the threat of devolution for Channel 4, input from independent producers and, above all, the forthcoming Broadcasting Bill—which have changed City sentiment. On fundamentals Anglia's prospects are fine. Rising revenue and a second half fillip from overseas programme sales should whisk profits to £10.5m. Anglia's shares, on a prospective p/e of 11.5 at 480p, should hold steady but there is scant upward scope given the state of the sector.

Buckley's directors meet with Brodian

By Nikki Tait

Directors of Buckley's Brewery, the small Welsh brewer which has seen a number of major stakes change hands recently, yesterday travelled to London's Savoy hotel to meet its latest shareholder, Brodian.

Brodian — which purchased its stake from Bestwood, the property and financial services group, two weeks ago — represents Mr Peter Clowes and Mr Guy Cramer. Both men are directors of James Ferguson, a former shell being built into a financial services company, though they say that this is unconnected with the quoted concern.

Both sides said afterwards that the meeting had been extremely amiable, and that some general ideas had been discussed. The more thorny issue of a board seat does not appear to have been raised. Buckley's, meanwhile, is due to hold a board meeting later

Holden Hydroman

An offer by BBA for shares of Holden Hydroman is worth 290p per Holden Hydroman share, based on yesterday's closing prices. Holden Hydroman closed up 10p to 280p. This paper.

Billingsgate City in bid talks

BY PAUL CHEESERIGHT, PROPERTY CORRESPONDENT

TRADING IN the preference shares of Billingsgate City Securities stopped yesterday when it was announced preliminary talks were taking place that could lead to an offer.

Billingsgate is the only London-registered single asset property company. In June 1986 it issued three layers of securities — the preference shares, currently capitalised on the market at £30.05m, a deep discount first mortgage debenture stock and ordinary shares.

A bid for the preference shares would be a preamble to a bid for the whole company. All the ordinary shares are held by S. & W. Berisford, the commodities group, and any buyer of the preference shares could be expected to start talks with Berisford about purchase of the ordinaries.

The prize would be Midland Montagu House, an office building by the River Thames in the City of London. This was valued at £79m a year ago when Billingsgate was set up as a vehicle to acquire the freehold from Berisford, the original owner of the building.

The only market-makers in Billingsgate preference shares, which are quoted not in London but Luxembourg, are Goldman Sachs and Baring Brothers. But they have also been retained as advisers to Billingsgate in the bid talks and have thus ceased to act as market-makers. They intend to make alternative arrangements for trading the shares.

Before trading stopped the preference shares were at 116.5p, compared with an issue price of 100p. There are 25.794m in issue.

The rise in the price since the issue and the payment of a 4.5p dividend last month means an annualised return of 20 per cent on the original investment.

Goldman Sachs and Baring Brothers would not disclose the identity of any potential buyers of the Billingsgate preference stock, but it seems likely that they would be institutions seeking a City property investment or property companies seeking to widen their asset base.

The value of the building, given the march of City property prices over the past year is likely to be substantially in excess of £79m, suggesting the preference shares would have to be bought at a premium over their current market price.

But the possibility of a Billingsgate takeover has an implication going beyond the property transaction itself.

The Billingsgate preference shares would have been brought back to London from Luxembourg to become the first securities for trading on the Stock Exchange's new market for single asset property vehicles.

If the current bid talks succeed that will not take place, thus putting back the start of the new market probably until the autumn. If they fail, Baring Brothers explained, then the original intention will be carried through.

Trading in single asset property company securities and in property income certificates became possible when, last May, the Stock Exchange settled its listing requirements. So far no buildings have been offered to the market.

BPP £3m bid for Mander Portman

BY DAVID WALLER

BPP Holdings, the USM-quoted accountancy tutor and publisher, yesterday bid £3m for Mander, Portman Woodward, a private tutorial college based in South Kensington.

MPW has forecast pre-tax profits of no less than £300,000 on turnover of £1.8m for the year to June 30 while BPP made pre-tax profits of £625,000 on turnover of £2.8m in the year to December 31.

The initial £3m consideration is to be satisfied by the issue of 973,000 new BPP shares at 315p. Of these, 385,000 will be retained by the vendors and the balance placed by Kleinwort Grievson for cash.

A deferred payment of a maximum of a further £500,000 in cash is also payable, related to BPP's future turnover.

BPP proposes to place a further 400,000 shares to raise £1.09m, after expenses. This has been earmarked to satisfy the deferred payment, refurbish the company's headquarter's, and provide working capital.

BPP's existing shareholders will be offered a claw-back facility which will entitle them to apply for new shares in the proportion of three shares for every ten held.

BPP's shares rose 15p to close at 350p.

Bridgend runs up £0.36m loss

Bridgend Group, manufacturer of electronic and security products and distributor of commercial vehicles and parts, swung from profits of £217,000 to losses of £356,000 in 1986.

The final dividend is being passed leaving shareholders with 0.2p (0.35p) for the year.

Woodwards, the motor vehicle and parts distributor, suffered from uncertainty surrounding Leyland and bus deregulation.

Highest overall bid failed to win ABP for Pearson

BY RAYMOND SNODDY

LORD BLAKENHAM, chairman and chief executive of Pearson, the publishing and entertainment group which owns the Financial Times, claimed yesterday that the company had failed to win the bid auction for Associated Book Publishers despite putting in the highest overall bid.

The contest for ABP, publisher of legal textbooks and Adrian Mole was won last week by International Thomson of Canada with a bid of 730p a share, valuing the company at nearly £210m.

"Overall ours was the highest bid," Lord Blakenham told an international media conference in London yesterday organised by stockbrokers Laurence Prust.

It is believed that the Pearson offer was 745p a share, around 100p a share ahead of the third contender Gulf and Western.

The Pearson offer was, however, a mixture of cash and shares and the Eyre Family Trust, which controlled 36.9 per cent of ABP, chose the straight cash offer from International Thomson.

"So the full body of the shareholders didn't have the opportunity to consider Pearson paper," Lord Blakenham said.

Earlier Mr Kevin Maxwell, standing in at short notice for his father, Mr Robert Maxwell, chairman of BPCC, suggested that BPCC would not renew its bid for Harcourt Brace Jovanovich, the US educational publisher, whatever the cost.

"I will not pay any price for a company carrying debt or intending to carry debt like an albatros around its neck," Mr Robert Maxwell said.

Glynwed in £6m acquisition

Glynwed International, the fast-growing industrial group, is buying Hub and Gillespie (Holdings) for £6m. H and G, which is based in Edmonton, is the largest specialist stockist in the precision/mechanical welded steel-tube market but also has interests in steel manufacturing and in the distribution of architectural aluminium sections.

H and G employs 240 people and had sales last year of about £20m. Consideration will be in cash, with £1m deferred for 12 months.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div	Total for year	Total last year
Anglia TV ....int	4.5	—	3.75	—	11.25
Booth Indust	2	Sept 22	1	3	1
Bridgend	nil	—	0.35	0.2	0.35
A. F. Bulgin	0.1	Aug 28	0.1	0.1	0.1
Cable & Wireless	3.5	Oct 2	3*	5.55	4.75*
Charter Consol	9	Aug 6	7.75	13	11.5
Chelsea Man	‡2.1	Aug 24	—	2.9	—
Danae Inv ....sec int	3.5	—	3.15	5.81	5.25
DDT Group	1.2	Sept 7	1.2	1.2	1.2
Hardys & Hansons int	6.2	—	5.6	—	18.7
Kewill Systems	‡1.5	—	1.2	1.5	1.2
James Latham	10.5	—	9.25	16.5	14.25
Leigh Interests	†2.75	Sept 25	2.45	4.15	3.75
MK Electric	8.3	—	7.4	12	10.8
Spice ....int	‡1.2	Aug 14	0.26	—	2.13

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Third market.

Public Works Loan Board rates

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
Effective June 24						
1	—	—	9½	—	—	10
Over 1, up to 2	9½	9½	9⅜	10¼	10¼	9⅞
Over 2, up to 3	9½	9⅜	9⅜	10⅛	10⅛	9⅞
Over 3, up to 4	9⅜	9⅜	9⅜	10⅛	10⅛	9⅞
Over 4, up to 5	9⅜	9⅜	9⅜	10⅛	10⅛	9⅞
Over 5, up to 6	9⅜	9⅜	9½	9⅞	9⅞	9¾
Over 6, up to 7	9⅜	9½	9½	9⅞	9⅞	9¾
Over 7, up to 8	9⅜	9½	9⅝	9⅞	9⅞	9¾
Over 8, up to 9	9⅜	9½	9⅝	9⅞	9¾	9⅞
Over 9, up to 10 ...	9⅜	9½	9⅝	9⅞	9¾	9⅞
Over 10, up to 15 ...	9⅝	9⅝	9⅝	9⅞	9⅞	9¾
Over 15, up to 25 ...	9⅝	9⅝	9⅝	9⅞	9⅞	9⅞
Over 25	9⅝	9½	9½	9⅞	9¾	9¾

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

UK COMPANY NEWS

MK Electric moves up to £20m

The MK Electric Group continued its advance through the second six months of 1986-87 and for the full year raised its profits from a slightly depressed £17.7m to £19.8m at the pre-tax level.

Furthermore, Mr Roger Leverton, MK's chief executive, said yesterday that the group was well set for further profitable growth from new products and productivity.

UK market conditions were described as favourable and the group's overseas markets were said to be showing some improvement.

Acquisitions were expected to provide a growing contribution to profits and in all, Mr Leverton was encouraged by the group's short and long term prospects.

At year-end MK's cash position remained strong with net liquid funds of £8.6m after financing the 78 per cent acquisition of Trend Control Systems in November, the purchase of Caradon Gilflex in February and capital expenditure amounting to £7.8m.

Turnover for the past year, to March 28, increased from £128.5m to £140.9m—the London based group makes electric and electronic connection, control and circuit protection equipment.

After a same again tax charge of £7.5m earnings per 25p share worked through 4.9p ahead at 32.2p. A final dividend of 8.3p lifts the total by 1.2p to 12p net.

Mr Leverton said the UK market provided a rising trend of strong demand for the group's products throughout the year. Construction activities showed encouraging increases, particularly in new private buildings and generally in the refurbishment sector.

There was substantial volume growth in the UK sales of established companies and this, together with recent acquisitions increased total home sales value by 16 per cent over the previous year.

Overseas, there was a further sharp reduction in the group's traditional Middle and Far East markets which reflected poor economic conditions. In the last two months of the year, however, order intake recovered.

In contrast export markets of growing importance in Europe and North America provided increased demand.

There was a further reduction in overseas business in the major British Standard territories in the Middle East and south-east Asia. Mr Leverton said nonetheless, that in the medium term and beyond these countries offered good business potential.

● comment

MK Electric's 7 per cent organic growth rate (a further 3 per cent of the profits rose was contributed by acquisitions and 1 per cent came from the elimination of South African trading losses) was on the good side of modest. This year with the building industry's gross growth rate expected to be between 8 and 9 per cent, MK's progress will depend on the precise timing of the sector's cyclical peak plus what acquisitions can produce. But even if the building market falls away in late 1988, as the gurus forecast, MK will lag this by six months leaving plenty of time to revise attitudes to the shares. Good cash generation when added to the small balance-date surplus could add £1m to the pre-tax while another fall in the tax rate will further boost earnings. Forecasts of £22½m put the shares at 477p on a forward looking multiple of 13. If MK is rated as a quality building materials supplier with a strong market position rather than as an electrical stock, something closer to 14 would appear justifiable. This holds even if no predator is moved by the company's perceived biddability. Look for news on a £10m European acquisition sometime soon.

Bulgin drops 46% after difficult trading

DIFFICULT trading conditions saw A. F. Bulgin & Co, manufacturer of electronic and electrical components, return a 46 per cent drop in year-end pre-tax profits to £247,183, but directors were more optimistic for the current financial year.

Directors said the group had carried out some rationalisation at the distribution company, which was particularly affected. As a result the board was only able to propose a nominal single final dividend which was unchanged at 0.1p.

Sales for the first quarter exceeded last year's, and exports in particular were well ahead, they said.

A healthy order book, coupled with the recent publication of a new catalogue, gave grounds for optimism, particularly during the second half.

Turnover for the year to March 31 rose from £8.9m to £9.6m. After tax of £83,934 (£81,593) and minorities of £568 (£188), earnings per share rose from 0.54p to 0.59p.

There was an extraordinary debit of £27,167 (£454,755).

Booth recovery

Booth Industries, designer, fabricator and erector of structural steelwork, made a good recovery in the year to March 31, 1987, with pre-tax profits up from £69,617 to £168,205 on turnover of £12.74m (£14.8m).

The directors said that the results in the second half showed continued improvement, giving an acceptable result at this stage of the company's reorganisation. They added that the company was well placed to maintain its market share and to continue its improved trading performance.

There is a final dividend of 2p making 3p

Sunleigh buys PJO Industrial

By Nikki Tait

Sunleigh Electronics, the USM-traded group which failed to acquire the larger Dale Electric earlier this month, announced that it was acquiring PJO Industrial, which sells, hires and maintains contractors' equipment used in the gas and water industries.

When its Dale bid failed, Sunleigh indicated that a number of alternative deals were in the pipeline—and others are expected to follow yesterday's announcement.

Sunleigh is paying an initial £1.26m for PJO, which will be satisfied by the issue of around 3.1m new Sunleigh shares. Of these 1.38m have already been placed at 40p on behalf of Investors in Industry, a major shareholder in PJO.

Sunleigh will then pay an additional consideration of three times the amount by which PJO's pre-tax profits exceed £245,000 in the current financial year and £270,000 in the following 12 months.

PJO, a former management buy-out company, made pre-tax profits of £143,754 between September 6, 1985, and end-December 1986. Net assets are put at just under £600,000 and annual sales are around £2m.

ERF below £1m but forecasts significant improvement

BY ALICE RAWSTHORN

ERF Holdings, the only surviving British-owned truck producer, yesterday unveiled a fall in pre-tax profits from £1.27m to £718,000 for its last financial year but signalled a significant improvement in its prospects for the present year.

Last year ERF was beset by problems in its overseas markets, where sales to South Africa and the Middle East suffered because of political and economic difficulties. These problems were compounded by the impact of investment in the launch of its new "E" range of trucks and a poor performance from the company's plastics interests.

Mr Peter Foden, chairman, said that an increase in domestic sales helped to compensate for the slump in exports. But the improvement within the UK only took effect in the final quarter. This improvement has, however, continued into the present year.

He said that the "E" range, which took three years to develop, had been very well received and that orders for trucks have been almost doubled within the last few months. Whereas last year the company produced eight trucks a day, this year it was producing 14 vehicles.

The company's plastics interests encountered problems because of increased competition. Profits from this division fell from around £350,000 to £200,000. ERF intends to counter the competitive market by diversifying into mainland Europe and with the introduction of new products.

In the year to March 28, group turnover rose to £75.91m (£71.03m), but profits before interest slipped to £2.24m (£2.87m). Interest fell slightly to £1.52m (£1.6m) but group gearing is still above 90 per cent. The company had not paid tax since 1980.

Earnings per share fell to 8.61p (16.28p). There will be no dividend. The board announced that it is formulating proposals to deal with arrears in the payment of preference dividends by issuing ordinary shares to the holders of preference shares.

● comment

ERF is one of the happier anomalies of British industry. Quite how it has survived is extraordinary but survive it has. This set of results—gloomy as they may sem at first glance—is testimony to its recovery. A 44 per cent fall in pre-tax profits may not look like a reason for rejoicing but all the bad news fell in the first half and the shares—up 25p to 141p yesterday—have risen steadily since the news of the "E" range's success. Export markets are still lack lustre and it will take time for new plastics programme to take effect. Thanks to the "E" range, trucks should return to pre-recessiorary levels of 3,000 or so this year, giving ERF's dream of stealing market share back from Mercedes and Volvo some hope of success. Profits are impossible to predict for so idiosyncratic a business but earnings per share should rise this year, as could the share price.

BOARD MEETINGS

TODAY

Interims: Batt Brothers, Macarthy, Raeburn Investment Trust, Scantronic, Stainless Metalcraft, TSB, Trusthouse Forte.

Finals: Anchor International Fund, Argyll Group, BPB Industries, STP, Burndene Investments, C. H. Industrials, Celestion Industries, Greycoat, James Latham, Parkdale, Rothmans International, Stead and Simpson, Syltone, Wooltons Betterware.

FUTURE DATES

Interims:

Clyde Blowers	June 29
Kleinwort Benson Gilt Fund	July 1
M and G Dual Trust	July 8
Securiguard	July 6
Southern Business	July 8

Finals:

Bogod-Pelepah	June 29
Hobson	June 30
Ingram (Harold)	June 29
Michael (John) Design	July 15

Trusts reduce Henderson stake to 32%

Four investment trusts, which collectively owned over 80 per cent of (BLD) Henderson Administration (ROM) the fund management group, until the company was floated on the stock market four years ago, have sold further shares to reduce their stake to 32 per cent.

The trusts, which are all managed by Henderson Administration, have gradually reduced their holdings over the years to reduce the Henderson weighting in their portfolios.

Yesterday Witan sold 2.14m shares, cutting its holding to 24.03 per cent; Electric and General sold 772,000 shares, cutting its hold to 1.44 per cent; Greenfriar sold 484,000 shares, cutting its holding to 1.93 per cent; and Lowland sold 298,000 shares, cutting its holding to 1.93 per cent.

In total, the trusts sold 3.69m shares, reducing its holding by 17.76 per cent from 49.97 per cent. Discretionary clients of the company, which includes the four trusts, collectively own 45.4 per cent of the equity.

UK COMPANY NEWS

Century Oils raises over £11m via rights issue

BY LUCY KELLAWAY

CENTURY OIL the specialist lubricants manaufacturer, yesterday announced details of a £11.5m rights issue to pay for last year's heavy expenditure on a new production centre in the UK and to lay the base for further expansion.

The issue, the terms of which are one for four at 195p, will almost wipe out group borrowings, which at the year-end were £12.4m.

The company said yesterday that business so far this year was going well and that the dividend would be at least maintained. In the UK, Century was benefitting from heavy rationalisation over the last two years, while in overseas markets progress was also being made, the company said.

Mr Charles Mitchell, chairman of Century, said yesterday that the money would be used to further the company's two central aims: to widen its geographic coverage and to develop a broader spread of products. He said he was particularly keen to increase Century's presence in the North American and European markets, which would be done through a mixture of arganic growth and acquisition. Several specific opportunities are now being considered, he said.

Last year the company's capital expenditure was £11.5m, of which more than half was spent on building a new processing and distribution centre at Hanley, which has enabled it to concentrate its UK activities under one roof. The company said this would allow it to cut its costs and to reduce its working capital.

In the UK the company also has plans to broaden its activities beyond the lubricants market.

Better margins help lift Leigh profits to £2.5m

BY PHILIP COGGAN

Leigh Interests, the waste disposal group, yesterday announced a 53 per cent increase in pre-tax profits to £2.47m in the year ended March 31 1987.

During the course of the year, the group sold off the remaining non-waste interests of MJI and will eventually realise £8.1m from the disposals, although £3.5m is being paid on deferred terms. As a result, and with the help of last year's convertible preference issue, borrowings are now down to £9.5m from £16.5m at the last balance sheet date.

The growth in profits reflected substantially better margins as turnover increased only 12.4 per cent to £42.25m (£37.58m). However, weak demand continued in the oil recovery business and in addition, Leigh Pollution Control suffered losses, although current projections indicate a better performance in both areas this year.

Sales and profits of the group in the first two months of the current financial year are ahead of last year's figures and the company is confident that it is well placed to continue its profitable progress.

Trading profit was £4.01m (£3.38m) and after interest of £1.53m (£1.76m) and tax of £888,000 (£635,000), earnings per share were 21.7 per cent higher at 8.4p (6.9p). The final dividend is being set at 2.75p (2.45p) per share making a total of 4.15p (3.75p).

● comment

Waste not, want not is obviously Leigh's motto and having bought MJI in 1985 for its waste disposal business, the company has gradually disposed of the non-waste interest. Now that has been achieved, Leigh can sit back and reap the benefits of the effluent society as problems like acid rain and the disposal of toxic chemicals increase. Although last year's rights issue and disposal cut back borrowings, the gearing level of 58 per cent is still high enough to encourage the group to use paper to make geographical add-on acquisitions like Campbell. But assuming pre-tax profits hit £3.25m this year, the fully diluted p/e of 17.5 will, with the shares at 165p, give the company plenty of scope to buy private companies without diluting earnings.

Chelsea Man 67% ahead

Mr Sam George, chairman of Chelsea Man, the men's clothing retailer, yesterday announced a 67 per cent increase in pre-tax profits for 1986-87. He also revealed that current trading was ahead of the comparable period.

The chairman was looking to another successful year but pointed out that if the company could increase its trading area prospects were outstanding.

He said the main priority was to expand by seeking additional retail outlets in the Midlands, the Home Counties and the South either via acquisition of single retail units or by the purchase of existing menswear retailers.

In order to assist this expansion the company would be seeking additional warehousing capacity.

For the year to March 31 the company, which came to the USM a year ago, raised its turnover from £3.55m to £4.8m and its profits before tax from £959,000 to £1.61m—margins rose from 27 per cent to 33 per cent.

Tax accounted for £585,000 (£398,000) and extraordinary provisions (elagl fees related to Chelsea Girl litigation) for £10,000 (£14,000).

Earnings per 5p share emerged at 9.66p (5.86p). A final dividend of 2.1p makes a total of 2.9p net.

Latham's rises to record £2.1m

James Latham, timber merchant, exceeded expectations with a record pre-tax profit of £2.07m (£1.91m) for the year ended March 31 1987.

The improvement was much more than it appeared at first sight since the previous year's figure included a £1.45m surplus on disposal of property at Clapton, east London, against nil this time.

With accumulated tax reliefs from previous years—there is a tax credit of £293,000 against a charge of £595,000—earnings per share have leapt from 48.96p to 90.71p.

The credit included £441,000 corporation tax written back on the capital gain of the land sale as a result of the claim for foll-over relief now being available.

The directors said that with the encouraging level of activity in the building sector the company was expecting even better results this year, although the strengthening pound could be an inhibiting factor. With the company's further improved balance of activities ,the directors added, the company looked forward to the future with confidence.

The record profit announced represented achievement of six years of progress from the recession, they said. All sectors had improved their contribution. In particular, there had been a much higher level of activity from the timber centres and a useful profit recovery on the importing side.

During the year new timber centres had been established and the company's new builders merchanting activity had been considered. The veneered panel and door factory had been extended and substantially re-equipped.

Turnover last year rose from £37.1m to £43.27m and the trading profit emerged at £3.5m (£1.91m); depreciation was £346,000 (£3.05m) and interest £632,000 (£663,000). There was no provision for unfunded pensions this time (£400,000) or any provision for reorganisation (£85,000).

The dividend is increased from 14.25p to 16.5p with a recommended final of 10.5p (9.25p). A one-for-one scrip issue is proposed.

DDT profit cut by half after most difficult year

DDT Group, the third-party computer maintenance company which graduated from the USM to a full listing last November, reported pre-tax profits down from £1.17m to £590,497 on turnover down from £7.1m to £6.9m in the year to March 31, 1987.

The directors propose to pay an unchanged dividend of 1.2p. Earnings per share fell from 11.57p to 5.64p.

Mr James Crook, chairman, said that the group had just completed one of the most difficult years in its history. The proliferation of other third-party maintenance companies and falling hardware sales had combined to reduce turnover while the increasing competition had resulted in significant pressures on maintenance prices which had reduced profits.

However, he said that the group had maintained a high level of capital investment during the year to secure its future position in the market.

Mr Crook was confident that DDT would achieve significant increases both in sales and profits during the current period. The third-party maintenance market continued to stabilise and the sales company expected improved results during the current period.

DDT Maintenance suffered from competitors who offered large discounts. But it was already regaining customers who were initially attracted by such offers. DDT Maintenance Ireland made a positive contribution to group profits.

The communications division continued to incur losses because of slower than expected market growth. DDT had since reduced staff levels and costs and expected the division to break even in the current period and be ready to take advantage of future growth.

Throughout the year investment had continued in all areas: staff levels had increased by 34 per cent and a new computer system had been installed at a cost of more than £200,000 to improve the efficiency of customer fault control and engineer despatch.

Mr Crook said that overall the cumulative effects of reduced margins, high capital expenditure and a slow development of new service areas had contributed to the profit reduction.

The sales division had been significantly reorganised and staffing levels reduced by 20 per cent to allow efforts to be concentrated on the peripheral and industrial markets and so avoid the problems associated with the commercial and PC markets. The division experienced a fall in turnover of 45 per cent to £1.62m.

Tax charges fell from £460,848 to £225,152 and extraordinary items of £76,025 (£88,023) comprised the costs involved in obtaining a full listing.

Kewill makes up lost ground in second half

Kewill Systems, the USM-quoted computer software company, more than made up the 9 per cent interim profits shortfall to finish the year ended March 31, 1987 with pre-tax figures up from £626,000 to £685,000. Turnover climbed from £4.22m to £4.74m.

Earnings per 5p share were ahead at 7.89p (6.76p) basic or 7.45p (6.29p) diluted. The dividend is increased 25 per cent from 1.2p to 1.5p.

The company said that acquisition possibilities arising in the year had been assessed, but none had held the same solid prospects for growth as a number of internal developments now did.

Kewill added that its balance sheet and cash resources were strong and this would make possible the opening of two new regional offices in September this year.

During the next 18 months the company planned to establish itself in two additional overseas territories.

In the development area, the company had decided to embark on a £2.4m programme over two years.

Although it remained Kewill's policy not to capitalise software development costs, re-allocation of existing staff and close management control, this project could be absorbed and financed without serious effect on trading performance.

The company said it believed this accelerated programme would place it in an unparalleled competitive position.

Spice up 53% to £0.54m and expansion continues

Spice, the USM - quoted car parts distributor, produced a 53 per cent advance in its interim pre-tax profits to £537,000, confirmed its commitment to expansion by acquisition, and predicted record full year figures.

The company had a strong balance sheet and a capable and ambitious management team, said directors, and was continuing to search for acquisitions.

Current trading was satisfactory, with both sales and margains showing an increase over the previous year, they said.

Turnover for the six months to March 31 rose by 12 per cent from £9.87m to £11.07m despite first quarter trading being less buoyant than expected. Cold weather in the second quarter benefited volume and margins.

Cash and carry branches performed well, especially Canning Town, where a major refurbishment programme was completed.

The distribution division had continued its expansion after the introduction of further leisure and consumer products and the opening of several new accounts.

Interest rose from a £6,000 payment to £65,000 receivable. After tax of £134,000 (£10,000) earnings per share rose from 5.1p to 5.2p. The interim dividend was raised from 0.26p to 1.2p.

UK COMPANY NEWS

ISSUE NEWS

Hey & Croft in £11m USM debut

BY ALICE RAWSTHORN

Hey & Croft, an Essex-based house builder, will join the USM early next week in a placing of shares. After the flotation the company will be capitalised at about £11m.

Hey and Croft was founded in the late 1950s but has expanded rapidly in the past five years since the Hey family bought out its fellow founders, the Croft family, and took over the management of the business.

It is now involved with house building from its base in Witham. Although the Hey and Croft portfolio embraces a wide range of houses, it specialises in the construction of executive homes selling for between £65,000 and £130,000. Each home within its developments has a distinctive design.

In its last financial year, to October 31 1986, the company produced pre-tax profits of £1.6m on turnover of £12m. Profits were artificially inflated by the sale of land, however, and earnings from house building were more modest at £843,000. This year Hey and Croft expects to boost house-building profits to £1.38m with group profits of £1.4m.

In the placing, through Grenfell and Colegrave, Hey and Croft will issue 30 per cent of its equity priced on a prospective p/e in the low teens. Part of the proceeds of the placing will be ploughed back into the company to increase its land bank and to finance further expansion.

Hafnia Invest gains London listing

Hafnia Invest, a Danish financial services group, is due to joint he London stock market this morning through an introduction sponsored by Banque Paribas Capital Markets and Morgan Stanley International.

The group had profits after tax of DKr 251m in 1986. Its biggest subsidiary is Hafnia Insurance, the second biggest group in Denmark.

Harland Simon placing gives value of £18.6m

BY RICHARD TOMKINS

Harland Simon, a Milton Keynes-based company making computer control systems mainly for the newspaper industry, is being floated on the stock market through a placing which will value it at £18.6m.

Hambros Bank is sponsoring the placing of 4.1m shares at 135p, putting the company on a pro-forma historic p/e multiple of 17.5. Broker to the issue is Capel-Cure Myers.

Harland Simon was set up in 1980 by two former executive directors of PPD Engineering, Mr Roy Ashman and Mr Harry Lally, who bought the drive-control business operated under the Harland Simon name with institutional backing.

PPD and its parent subsequently took legal action against Harland Simon, its executive directors, and Hambros, which was among the company's backers. The proceedings were settled in 1981 on confidential terms, thought to include a six-figure sum.

Today, Harland Simon makes drive-control systems and computer software for continuous process industries.

Pre-tax profits have risen from £114,000 in 1983 to £1.5m for the year to March 1987 on turnover of £10.8m. The group says it has orders worth £18m for delivery over the next two years.

The shares being sold represent 30 per cent of the company's enlarged equity. Most of the proceeds will go to the institutional backers.

Britannia offer subscribed 14 times

By Richard Tomkins

Britannia, the Cheltenham-based property developer, yesterday confirmed that its offer for sale had become the latest in a series of heavily oversubscribed issues.

The issue was subscribed 14.3 times, with more than 25,000 applications received for nearly 53m shares compared with the 3.7m on offer. There will therefore be a heavy rationing of the shares among applicants.

Smaller applications will go into an unweighted ballot in which the chances of success will be about one in 13. The odds will improve marginally as the size of application increases.

The allocation is as follows: Application for 500 shares—ballot for 500. For 1,000 shares—ballot for 600. For 2,000 to 5,000 shares — ballot for 1,000. For 6,000 to 9,000 shares — ballot for 1,500.

Larger applications will not be subject to a ballot. Applicants for 10,000 to 20,000 will receive 2,000. Those seeking 20,000 to 50,000 will receive 2,500, and those seeking 100,000 and above will receive 4 per cent of the number sought.

Far East Resources heads for third tier

BY ALICE RAWSTHORN

THE THIRD Market will gain a new recruit tomorrow when Far East Resources, an oil and gas group, goes public in a placing of shares which will value its business at £10m.

Far East Resources was formed in early 1986 to evaluate and exploit energy resources. To coincide with the placing it will acquire Visayan Oil which is involved with gas and oil in the Philippines.

Visayan has an interest in an oil and gas concession in the North Cebu area of the Philippines. The company intends to take advantage of the Philippine Government's more liberal energy policy to develop the concession.

In the placing, Far East Resources will issue 3m shares, or 30 per cent of its equity, at 100p each. The capital raised by the placing—£2.64m after expenses—will be used to fund exploration and development.

The stockbrokers, T. C. Coombs, will sponsor the placing. While Barclays de Zoete Wedd, County and Warburg will act as market makers to the company.

Glamar valued at £8.9m

BY STEVEN BUTLER

Glamar, which markets and distributes hosiery products to supermarkets, is coming to the market through a placing of 1.25m ordinary shares at 178p each, valuing the company at £8.9m. The shares, which have a historic p/e of 15.75, are being placed by de Zoete and Bevan.

Glamar was wholly owned by its founder and chairman, Mr Derek Guinness, who is selling 25 per cent of the company, so the funds raised will not increase Glamar's capital

Glamar has grown rapidly on the back of the increased sales of hosiery products in large supermarket chains, which now account for about 40 per cent of the hosiery market.

Brazil eliminates wheat subsidy

By Ann Charters in Sao Paulo

BRAZILIAN WHEAT imports, traditionally running at 3m to 4m tonnes a year, could take a dive this year because of a government decision to eliminate the Cz 55bn wheat subsidy (about $1.2bn at the current exchange rate).

Government and industry officials estimate that consumption could fall as much as 30 per cent when the full impact of the resulting price rises reaches consumers.

The Brazilian Wheat Board, which has a monopoly on the purchase of all domestic and imported wheat and its sale to millers, has just raised its price per tonne to millers by 513 per cent to Cz 6,500. Since 1972, the Government had maintained the price artificially low to keep rising costs of wheat products from feeding the country's galloping inflation.

Tentative estimates suggest that Brazilian domestic consumption could require only 5.5m tonnes of wheat this year, meaning imports of 1.5m to 2m tonnes, depending on the size of the domestic.

US wheat sales are likely to suffer worst because of Brazil's government - to - government agreements with Argentina and Canada and increased purchases from France. In 1987, Brazil is committed to buy 1.38m tonnes of Argentinian wheat in a trade agreement that entails no hard currency payments but a decrease of the traditional trade surplus in Brazil's favour. Thus far, Argentina has been able to supply only a little over 1m tonnes. A long-term agreement with Canada means 750,000 tonnes to be purchased this year.

Total French wheat sales to date of 375,000 tonnes were attractively priced at more than US$30 under the US dollar fob price per tonne, with delayed payment. French wheat has been purchased at $79 per tonne.

As a consequence of these commitments US wheat sales to Brazil have been squeezed to only 33,000 tonnes up to mid-June compared with 1.8m tonnes for all of last year.

Opec expected to raise oil production ceiling

BY RICHARD JOHNS IN VIENNA

A HIGHER ceiling on collective crude oil output of 16.6m barrels a day, compared with the limit of 15.8m b/d notionally enforced at present, is expected to be agreed by the Organisation of Petroleum Exporting Countries in Vienna today.

The actual production level so far this month has been 17.3m b/d, according to the calculations of one major oil company.

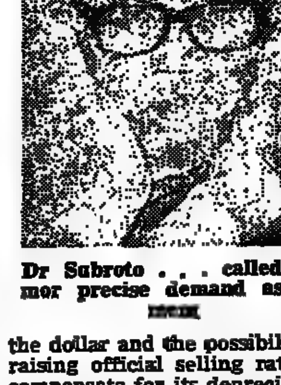
Three members are believed to be exceeding their quotas, along with Iraq, which opted out of last December's accord. This restored fixed prices on the basis of an $18 a barrel central reference price.

The lively debate in prospect, therefore, may be somewhat academic. Certainly it will be aimed mainly at convincing the market of Opec's will to observe both production and price discipline.

Oil stocks are low, but some analysts believe that the present buoyancy of prices owes much to fears of supplies being disrupted by the Gulf conflict between Iraq and Iran.

Dr Subroto, Indonesia's chief delegate, said yesterday that the organisation would have to determine more precisely actual demand for members' oil during the third quarter. Opec estimates varied from 16.2m b/d to 17m b/d.

Another issue which will be discussed is the weakness of



Dr Subroto . . . called for mor precise demand assessment

the dollar and the possibility of raising official selling rates to compensate for its depreciation. Iran in particular is insistent that an adjustment of about 7 per cent should be made.

But given the difficulties clearly facing some member countries in abiding by agreed price levels, no decision on an increase is likely in the final outcome of the conference, which is expected to last three to four days.

At the same time Iran is understood to be willing to agree to an increase in the limits on Opec output to 16.6m b/d as provisionally envisaged in the deal concluded by 12 of the 13 members last December. Algeria and Libya—the other two price "hawks" committed to maximising per barrel revenue—will oppose any such move, arguing in favour of a tight production ceiling.

Members are also divided over whether to confirm last December's decision to raise the limit to 18.3m b/d in the last quarter of 1987—a level which could be very dangerous in terms of prospective demand and market confidence.

At a meeting here on Tuesday attended by representatives of all member states, Saudi Arabia and Kuwait alone are understood to have pressed for ratification of this part of last year's Geneva accord.

Recriminations over quota violations seem inevitable.

Iraq — not a party to the agreement, which was signed by other members after a year's wrangling and a collapse of prices—is producing at 2.1m b/d compared with the 1.46m b/d conceded to it.

According to well-informed industry observers, the other *offenders are:*

- *United Arab Emirates* at about 1.3m b/d compared with a quota of 950,000 b/d.
- Kuwait at 1.2m b/d compared with an entitlement of 999,000 b/d.
- Qatar, which is said to be offering discounts, at 350,000 b/d compared with an allocation of 300,000 b/d.

UK challenges legality of EC hormone ban

BY TIM DICKSON IN LUXEMBOURG

THE LEGALITY of the EC's decision to ban the use of artificially implanted hormones in meat production was challenged by Britain yesterday in the European Court of Justice in Luxembourg.

The UK case was presented by Sir Patrick Mayhew, the *attorney general, a move which* which was being widely seen as a sign of the importance which London attaches to the issues involved.

The hormone ban, which comes into effect throughout the community on January 1 next year, was agreed by the Council of Ministers in December 1985 and immediately sparked a major controversy. All member states except France have now passed national legislation to comply with its requirements but major exporters of meat to the Community such as the US complain that they will be seriously hit.

The next stage in the proceedings will be the delivery of the opinion of the Advocate General, which precedes the final judgment.

India suspends cotton exports

By R. C. Murthy in Bombay

THE INDIAN Government has suspended cotton exports in an attempt to halt a surge in domestic prices, which have risen by two-thirds in the past nine months.

India has exported 500,000 bales of 170 kg each so far, against a target of 600,000 bales for the cotton year ending in August. The cotton production *estimate for 1986-87 has been* scaled down to 9m bales from 10.2m projected earlier.

Including a carryover of 2.98m bales total availability is less than 12m. Domestic demand has been early 900,000 bales a month.

International Tin Council states win first round in court battle

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE UK and the other members of the insolvent International Tin Council have won the first round of the legal battle by the Council's creditors to make them liable for its debts, totalling hundreds of *millions of pounds.*

A High Court judge ruled yesterday that the ITC had a separate legal personality and that its members—23 governments and the European Community—were not liable to third parties for its obligations.

Also, the judge held, the ITC had entered into contracts for the *sale or purchase* of tin on its own behalf and not as agent for the member states.

Mr Justice Staughton's ruling *the latest to be made by courts* in the welter of litigation arising from the ITC's collapse in October, 1985, was a significant victory for the member states and the European Community, which had applied to strike out an action brought against them by J. H. Rayner (Mincing Lane), a London Metal Exchange trader and a £16m creditor of the ITC.

It does not, however, finally dispose of the action. Last month the Court of Appeal said that a late amendment by Rayner to its claim, alleging that the member states had breached their duty to ITC creditors to ensure that the council's business was not conducted to the prejudice of creditors, could not be argued on the striking out application.

That new argument, introduced by Rayner only in April, remains to be considered and ruled upon at a later hearing.

It will also be open to Rayner to challenge yesterday's judgment in the Appeal Court and before the Law Lords and there is no reason to doubt that the company will fight to the last legal ditch.

Mr Justice Staughton said that Rayner's original claim disclosed no cause of action against the states and the EC. But for the late amendment the UK would be entitled to a striking out order, the EC to an order setting aside the claim against it, and the foreign member states to an order that they had sovereign immunity from Rayner's action, he said.

The judgment affects actions in which other ITC creditors — brokers and banks — are suing the member states, as legal issues common to all the actions were deployed before, and rejected by, Mr Justice Staughton. The other creditors have, however, other separate arguments to be dealt with when their actions come to court.

All the ITC's creditors will appluad a sentiment expressed by Mr Justice Staughton at the end of his two-hour judment, given in open court following a 10-day private hearing last month.

The judge recalled that, when, in January, Mr Justice Millett ruled that the English court had no power to wind-up *the ITC, he expressed the hope* that suitable arrangements would be made by diplomatic means to meet the ITC's debts.

"I share that hope," said Mr Justice Staughton.

He added that otherwise, as counsel for some of the foreign member states had submitted, the only proper course for the various plaintiffs was to persuade the British Government to bring actions against the other states in the International Court of Justice.

Banks and traders in the City had no doubt profited handsomely in the past from the presence of the ITC headquarters in London, but the losses now suffered were formidable, the judge said.

There were, he said, legal provisions for the disqualification of directors of insolvent companies. Among those who could apply for such disqualification was the Secretary of State for Trade and Industry.

"But no provision is made for the regulation of those who conduct the affairs of bodies such as the ITC—who include the DTI itself.

"One is minded to ask: quis custodiet?"

The judge recalled that counsel for one of the states had referred to part of the evidence in the case as "a can of worms."

Mr Justice Staughton commented: "I am not sure as to the precise sense in which the metaphor was intended, but it could be appropriate."

Producers' quota scheme under attack

BY ROGER MATTHEWS AND WONG SULONG IN KUALA LUMP UR

MR IBRAHIM MENUDIN, president of the Malaysian Chamber of Mines, said yesterday that the export quota programme of the Association of Tin Producing Countries was "wrong," and called on the Malaysian Government to return to a free market policy.

He argued that the ATPC export quotas had a negative psychological impact on the market, and pointed out that since its *introduction*, the tin price had fallen from 17.5 ringgit a kilo to around 16.5 ringgit.

"Without export control, prices would have been higher." he said.

Mr Ibrahim argued that consumers had expected a shortage of supply. However, the introduction of export quotas had had the reverse effect by guaranteeing a higher level of supply.

Under the ATPC quotas, the seven members—Malaysia, Indonesia, Thailand, Australia, Bolovia, Nigeria and Zaire—agreed to limit exports to 96,000 tonnes for 12 months from last March.

Mr Ibrahim's strong attack coincides with the current visit by Dr Lim Keng Yaik, the Malaysian primary industries minister, to the US and Brazil, where he is seeking, among other matters, co-operation on stabilising the tin market.

Mr Ibrahim, who is also chief executive of Malaysia Mining Corporation, the biggest tin company, stressed he was speaking on behalf of most of the country's producers.

He said Malaysian mines had the capacity to produce 33,000 tonnes a year, but were restricted to 29,000 tonnes under the export control scheme. Bolivia, on the other hand, was given 16,000 tonnes, a level which Mr Ibrahim said the country obviosly could not fulfil.

He acknowledged that if the Malaysian Government was to allow free market forces to prevail, some existing Malaysian mines would have to close, but added "we should be sustaining the living, not trying to resurrect the dead."

Mr Ibrahim's strong criticism is unlikely to have any immediate impact on the Malaysian Government's support for export restrictions, although Dr Lim has warned that the Government would review its position if it was found that other ATPC members were not abiding by the understanding.

The reopening of a Singapore smelter has provoked suspicions that some south-east Asian mines were increasing output beyond their agreed quotas.

The current Malaysian government thinking is that without the ATPC scheme tin producing countries would engage in a fierce production and price war.

This would prolong the oversupply situation in the world market. Within Malaysia, many mines would close with damaging political and social effects at a time of already rising unemployment, now close to 10 per cent.

Our Commodities Staff adds: Dr Lim said in London, where he has been lobbying against the proposed EC oils and fats tax, that he was confident of the possibility of Brazil and even China joining the ATPC.

If both countries became ATPC members the producer group would account for 95 per cent of world tin production, he said. This would put it in a much stronger position to overcome the problem of the 75,000 tonne overhang of world stocks.

Malaysian Mining Corporation has shifted its emphasis to mining diamond, gold and platinum internationally rather than mining tin locally, Reuter reports from Kuala Lumpur.

Mr Ibrahim Menudin, chief executive of the state-controlled group, said after its annual general meeting *that the tin price collapse had* made the company realise it could not be too dependent on the metal.

Australian-based Ashton Mining, MMC's associate company, which mines mainly diamonds would yield 30 to 35 per cent of MMC's income over the next three to five years, he said. Ashton also mines gold and platinum.

MMC now explored for gold in the eastern states of Pahang and Kelantan and in Indonesia, said Mr Ibrahim.

Tin would continue to be *part of the business activity* of MMC, the world's largest tin mining company, but it would have a lower priority than gold, diamonds and platinum.

LONDON MARKETS

THE LEAD and zinc markets were the strongest features in a generally lacklustre London Metal Exchange yesterday. While sterling's firmness against the dollar weighed down other base metals prices the cash lead price moved £12.50 higher to £389.50 a tonne in response reports that an Antwerp-bound vessel carrying 13,000 tonnes of lead concentrate had been lost in heavy seas of Sri Lanka. If confirmed this would be the second lead cargo to be lost at sea in the space of ten days. Last week a ship carrying 10,000 tonnes sank in the South Pacific. Zinc's firmness, which lifted the cash price £7.50 to £535 a tonne was partly in sympathy with its sister metal and partly the result of continuing nervousness while dealers awaited the result of a pay contract vote by miners at Noranda Brunswick.

LME prices supplied by Amalgamated Metal Tarding.

INDICES

REUTERS

June 23	June 22	M'th ago	Year ago
1604.6	1602.2	—	—

(Base: September 18 1931=100)

DOW JONES

Dow Jones	June 23	June 22	M'th ago	Year ago
Spot	126.81	126.66	—	127.06
Fut	124.31	122.72	—	113.67

(Base: December 31 1974=100)

MAIN PRICE CHANGES

	June 24 1987	+ or —	Month ago
METALS			
Aluminium			
Free Market	$1565/585	+5	$1500/520
Copper			
Cash Grade A	£969	—3	£930
3 months	£957.75	—5	£910.25
Gold Troy oz	$442	+1.75	$455.25
Lead Cash	£389.5	+12.5	£383
3 months	£367.5	+6	£360.5
Nickel			
Free Mkt.	201/221c	—3	194/214c
Palladium oz	$137.00	+1	$141.25
Platinum oz	$554.00	+5	$574.00
Quicksilver†	$249/250		$268/270
Silver troy oz.	429.25p	+4.25	450.40p
3 months	439.10p	+4.50	460.20p
Tin			
free Mkt.	£4128/150	—50	£4220/250
Tungsten	$58.16		$51.47
Wolfram 22.0lb	$48/55		$48/54
Zinc	£535	+7.5	£497.5
3 months	£520	+2.5	£494.5
producers	$860		$790/840
OILS			
Coconut (Phil)	$480x		$400
Palm Malayan	‡		$347.5
Seeds			
Copra (Phil)	$295y		$280
Soyabean (U.S.)	$155.5	+2	$152
GRAINS			
Barley Fut. Sept	£95.75	—0.10	£98.00
Maize	£155.00		£149.00
Wheat Fut. Sept	£99.65	+0.20	£100.80
No. 2 Hard Wint.	‡		‡
OTHERS			
Cocoa Ft. Sept	£1306.5	+0.5	£1261.5
Coffee Ft. Sept	£1256.5	—13	£1384.5
Cotton A Ind.*	80.25c	+0.2	79.80c
Gas Oil Aug.	$155	—0.75	$152.5
Rubber (kilo)	63.75p	—1	64.25p
Sugar (raw)	$171	—0.4	$167
Wooltops 64s	470p kilo		465p kilo

‡ Unquoted. † Per 76-lb flask. c Cents a pound. * Cotton outlook. v July. z Sept/Oct. x July/Aug. y Aug.

ALUMINIUM

99.7% purity	Unofficial close (p.m.) $ per tonne	+ or —	High/Low
Cash	—	—	—
3 months	1565-8	—2	1569/1566

Official closing (am): Cash —— (——); three months 1568-9 (1580-2); settlement —— (——). Final Kerb Close: 1565-9. Turnover: 1,500 tonnes.

99.5% purity	£ per tonne		
Cash	904-6	—14	904
3 months	897-9	—11.75	898/895

Official closing (am): Cash 903-4 (915-7); three months 895-6 (906-6.5); settlement 904 (917). Final Kerb Close: 895-6. Turnover: 12,875 tonnes.

COPPER

Grade A	Unoffic'l close £ per tonne	+ or —	High/Low
Cash	968.5-9.5	—3	969/967.5
3 months	957.5-8	—5	958/954

Official closing (am): Cash 967.5-8.5 (970-1). three months 958-9 (960-1); settlement 968.5 (971). Final Kerb Close: 955-5.5.

Standard			
Cash	962-4	—5	965/961
3 months	950-2	+1.5	940/938

Official closing (am): Cash 963-4 (965-70); three months 935-7 (945-50); settlement 964 (970). US Producer prices 72.25-76.5 cents per pound. Total turnover: 41,950 tonnes.

LEAD

	Unofficial close (p.m.) £ per tonne	+ or —	High/Low
Cash	389-90	+12.5	396/390
3 months	367-8	+6	371/360

Official closing (am): Cash 395-6 (374-6); three months 369-70 (361-2); settlement 396 (376). Final Kerb Close: 368.5-9. Turnover: 8,975 tonnes. US Spot: 24-37 cents per pound.

NICKEL

	Unofficial close (p.m.) £per tonne	+ or —	High/Low
Cash	2740-5	—82.5	2745
3 months	2780-5	—65	2825/2750

Official closing (am): Cash 2730-1 (2818-23); three months 2770-1 (2860-1); settlement 2731 (2823). Final Kerb Close: 2765-75. Turnover: 2,582 tonnes.

ZINC

High grade	Unofficial close (p.m.) £ per tonne	+ or —	High/Low
Cash	534-6	+7.5	534.5/534
3 months	519.5-20.5	+2.5	524/515

Official closing (am): Cash 534.5-5 (527-8); three months 519.5-20 (519.5-20); settlement 535 (528). Final Kerb Close: 522-2.5. Turnover: 10,625 tonnes. US Prime Western: 47.5-48.5 cents per pound.

LONDON METAL EXCHANGE TRADED OPTIONS

	Strike Price $/tonne	Calls Nov.	Puts Nov.
Aluminium 99.7%	—	—	—
	—	—	—
	—	—	—

		Calls July	Calls Sept.	Puts July	Puts Sept.
Aluminium 99.5%	1,425	—	—	9	33
	1,450	48	44	17	44
	1,475	28	32½	—	—
Copper (Grade A)	1,525	—	—	13½	32
	1,550	34	38	23	43
	1,575	22	28	—	—
Copper (Grade A) £/tonne	925	—	—	3½	12
	950	26½	30½	9	12
	975	15	19	—	—

Estimates.

TIN

KUALA LUMPUR TIN MARKET: Close 16.49 (16.54) ringgit per kg. Down 0.05 ringgit per kg.

GOLD

GOLD BULLION (fine ounce)		June 24
Close	$441¾-442¼	(£273¾-273¼)
Opening	$440¾-441¼	(£274¼-274¾)
M'n'g fix	$443.00	(£274.338)
Aft'n'n fix	$441.75	(£273.064)
Day's high	$444¼-444¾	—
Day's low	$440½-441	—

GOLD AND PLATINUM COINS		
Am Eagle.	$454-459	(£280¼-283½)
Mapleleaf	$453½-456½	(£280-281¼)
Kr'g'r'nd.	$441-444	(£272¼-274¼)
½ Krug	$231-233	(£143¾-145¼)
¼ Krug	$116-117	(£71¾-72¼)
Angel	$451-454	(£278½-280¼)
1/10 Angel	$43¾-48¾	(£27-30¼)
New Sov.	$104-105	(£64¼-65¼)
Old Sov.	$104-105½	(£64¼-65¼)
Noble Plat	$566-576	(£349½-355¾)

RUBBER

PHYSICALS—Closing prices (buyers): Spot 63.75p (64.75p); Aug 64.00p (65.00p); Sept 64.00p. Kuala Lumpur fob prices (Malaysian/Singapore cents) per kg: RSS No 1 245.0 (245.5) — SMR 210.0 (210.5).

MEAT

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 97.47p per kg lw (—1.06). GB—Sheep 178.48p per kg est dcw (—18.34). GB—Pigs 78.73p per kg lw (—1.20). GB—AAPP 102.70p per kg dw (+0.58).

FUTURES—Pigs: Oct 102.20. Nov 115.20, sales 12.

SILVER

Silver was fixed 4.25p an ounce higher for spot delivery in the London bullion market yesterday at 429.25p. US cent equivalents of the fixing levels were: spot 695c, up 19c; three-month 707.7c, up 19.6c; six-month 720.5c, up 19.5c; and 12-month 746.35c, up 20.35c. The metal opened at 426-429p (685-689c) and closed at 424-427p (687-691c).

SILVER per troy oz	Bullion Fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	429.25p	+4.25	485p	—8
3 months	439.10p	+4.30	434p	—3
6 months	448.50p	+5.50	—	—
12 months	467.30p	+3.85	—	—

LME—Turnover: 1 (0) lots of 10,000 oz.

Cash high/low 430p; three months final kerb 434-7p.

COFFEE

After a steady close on Tuesday Robustas failed to find any follow-through after opening unchanged, reports Drexel Burnham Lambert. With no damaging cold reported from Brazil and steadying sterling the market eased. Scale-down price-fixing and late short-covering supported the market which closed mid-range.

COFFEE	Yesterday's close	+ or —	Business done
July	1234-1238	+16.0	1261-1225
Sept	1256-1257	+13.0	1275-1245
Nov.	1285-1286	+11.0	1300-1265
Jan	1302-1308	+12.5	1320-1290
Mar.	1317-1324	+14.5	1340-1317
May	1330-1350	—	1360-1337
July	1350-1370	+15.0	—

Sales: 4,200 (4,171) lots of 5 tonnes.

ICO indicator prices (US cents per pound) for June 23: Comp. daily 1979 98.43 (95.88); 15-day average 102.23 (102.79).

COCOA

Although easier on the opening futures moved back to unchanged in lively trading and held the levels through to the close. Consumers showed light interest for cocoa beans and products but consumers were withdrawn, reports Gill and Duffus.

	Yesterday's close £ per tonne	+ or —	Business done
July	1320-1323	+3.0	1320-1307
Sept.	1306-1307	+0.5	1308-1295
Dec.	1334-1335	+3.5	1335-1322
March	1350-1351	+2.0	1355-1342
May	1366-1372	+2.5	1364
July	1387-1388	+3.0	1398-1382
Sept.	1403-1403	—	1405-1398

Sales: 4,558 (6,106) lots of 10 tonnes.

ICCO indicator prices (SDRs per tonne). Daily price for June 24: 1,608.02 (1,600.69); 10-day average for June 25: 1,555.12 (1,545.82).

FREIGHT FUTURES

	Close	High/Low	Prev.
Dry Cargo June 22			
July	837/829	830/820	820
Oct.	889	889/880	896
Jan.	885	890/885	908
Apr.	939/940	940/939.5	975
July	820	—	820
Oct.	890	—	875
Jan.	885	—	860
April	1100	1100	—
BFI.	917	—	929

Turnover: 332 (301).

GRAINS

Old crop wheat surged upwards once again on consumer short-coverings reflecting high premiums available in country trade. New crops attempted to rise on commission house and shipper support but found a large volume of country hedge selling resistance, reports T. G. Roddick.

Mnth	WHEAT Yest'rdy's close	+ or —	BARLEY Yest'rdy's close	+ or —
July	121.00	+0.95	—	—
Sep.	99.65	+0.20	95.75	—0.10
Nov.	101.80	+0.10	98.95	+0.05
Jan.	104.35	+0.10	101.45	—
Mar.	106.75	+0.15	103.50	—
May	109.35	+0.10	105.60	—
July	111.40	+0.15	—	—

Business done—Wheat: July 121.00-0.05, Sept 99.65-9.55, Nov 101.85-1.75, Jan 104.35-4.25, March untraded, May 109.35-9.30, July untraded. Sales: 156 lots of 100 tonnes. Barley: Sept untraded, Nov 99.00-8.95, Jan, March and May untraded. Sales: 8 lots of 100 tonnes.

LONDON GRAINS—Wheat: US dark northern spring no. 2 14 per cent July 93.25, Aug 92.75, Sept 93.50. US no. 2 soft red winter July 95.50, Aug 87.00, Sept 88.50. French 11½-12 per cent June 143.00. English feed fob July 123.50 seller. Sept 100.75-101.95 buyer/sellers. Oct/Dec 104.50 buyer. Jan/March 109.25. Apr/June 113.00 seller. Maize: US no. 3 yellow/French transhipment east coast spot 155.00. Barley: English feed fob Aug 98.00. Sept 99.00 seller. Oct/Dec 102.50/103.00 buyers/sellers. Jan/March 107.00 seller.

US MARKETS

A WEAKER DOLLAR prompted mild rallies in the precious metals, reports Drexel Burnham Lambert. Short-covering and commission house buying in light volume steadied the markets in the face of trade scale, and fund-type, selling. Copper firmed on fund buying to close near the highs of the day. Trade and local buying *steadied* crude oil prices before profit-taking prompted local liquidation to ease prices. Coffee initially fell on trade and local selling, but support at the lows forced locals to cover and the market rallied further on commission house buying. Cotton fell on commission house liquidation which touched off stops. Orange juice fell on aggressive trade liquidation and commission house stops. A combination of increased export business, firmer cash prices and a weaker dollar firmed both the grains and soyabean complex. Commercial buying and short-covering overcame professional selling. The meats were quiet, easing on profit-taking.

NEW YORK

ALUMINIUM 40,000 lbs, cents/lb

	Close	Prev	High	Low
June	71.50	71.40	—	—
July	71.50	71.40	71.60	71.50
Aug	71.00	71.00	—	—
Sept	70.55	70.75	—	—
Dec	69.80	70.00	69.50	69.50
Jan	69.80	70.00	—	—
March	69.80	70.00	—	—
May	69.80	70.00	—	—

COCOA 10 tonnes. $/tonnes

	Close	Prev	High	Low
July	1989	1936	1989	1950
Sept	2008	1947	2008	1994
Dec	2022	1961	2025	1975
March	2045	1990	2045	2005
May	2070	2018	2055	2030
July	2095	2038	2030	2065
Sept	2122	2065	2088	2083

COFFEE "C" 37,500lb, cents/lb

	Close	Prev	High	Low
July	104.25	106.13	106.00	103.40
Sept	105.76	107.48	107.70	104.50
Dec	108.32	109.65	109.75	107.25
March	111.25	112.00	112.25	109.60
May	113.01	114.00	114.00	112.65
July	113.83	115.60	—	—
Sept	114.25	114.28	—	—

COPPER 25,000 lbs, cents/lb

	Close	Prev	High	Low
June	69.90	69.90	70.05	69.40
July	69.90	68.90	70.00	69.15
Aug	69.70	68.75	—	—
Sept	69.45	68.55	69.45	68.75
Dec	68.75	68.00	68.70	68.20
Jan	68.65	67.90	—	—
March	68.45	67.70	68.25	67.80
May	68.50	67.75	—	—
July	68.55	67.80	68.50	68.00
Sept	68.60	67.85	—	—

COTTON 50,000 lb, cents/lb

	Close	Prev	High	Low
July	70.87	74.35	73.75	71.00
Oct	69.38	71.58	71.75	69.58
Dec	68.17	70.05	70.40	68.07
March	68.90	70.72	71.00	68.90
May	69.41	71.08	71.25	69.41
July	69.71	71.30	71.00	69.71
Oct	65.40	66.00	66.15	65.40

CRUDE OIL (LIGHT) 42,000 US gallons. $/barrels

	Latest	Prev	High	Low
August	19.44	19.57	19.56	19.35
Sept	19.20	19.31	19.33	19.12
Oct	19.11	19.17	19.20	19.01
Nov	19.43	19.10	19.43	18.96
Dec	19.07	19.05	19.11	18.96
Jan	18.96	19.02	19.07	18.93
Feb	19.00	19.00	19.05	18.99
March	18.96	18.99	19.05	18.99
April	18.87	18.96	19.05	18.96

GOLD 100 troy oz, $/troy oz

	Close	Prev	High	Low
June	443.2	440.4	443.0	440.5
July	443.5	441.1	—	—
Aug	446.4	443.8	447.5	443.7
Oct	451.6	448.9	452.5	449.9
Dec	456.8	454.0	457.5	454.0
Feb	462.3	459.4	462.6	459.6
April	467.8	464.8	468.2	465.0
June	473.4	470.3	475.0	470.0
Aug	479.4	476.2	480.5	478.8
Oct	485.5	482.2	485.2	483.5
Dec	491.6	488.2	—	—
Feb	497.8	494.3	—	—

PLATINUM 50 troy oz, $/troy oz

	Close	Prev	High	Low
July	554.4	547.8	557.5	551.0
Oct	561.7	555.1	564.5	558.5
Jan	568.9	562.6	572.5	569.0
April	575.4	570.1	579.0	576.6
July	581.8	577.4	582.0	582.0

HEATING OIL 42,000 US gallons, cents/US gallons

	Latest	Prev	High	Low
July	50.90	51.21	51.15	50.80
Aug	51.20	51.57	51.57	51.10
Sept	52.10	52.28	52.40	51.80
Oct	52.90	53.03	53.25	52.70
Nov	53.65	53.71	53.75	53.65
Dec	54.35	54.40	54.60	54.20
March	52.80	53.14	52.90	52.80
April	51.90	52.19	51.90	51.90

ORANGE JUICE 15,000 lbs, cents/lb

	Close	Prev	High	Low
July	133.00	134.85	134.50	132.20
Sept	125.40	125.55	125.40	124.20
Nov	121.60	120.85	121.90	120.30
Jan	120.25	119.80	120.25	119.00
March	119.50	119.25	120.00	119.00
May	119.50	119.25	—	—
July	119.50	119.25	—	—

SILVER 5,000 troy oz, cents/troy oz

	Close	Prev	High	Low
June	693.5	688.7	—	—
July	694.0	689.5	702.0	686.5
Aug	698.2	694.0	689.0	689.0
Sept	703.5	698.8	711.0	696.0
Dec	717.0	712.1	725.0	709.0
Jan	721.6	716.5	727.0	727.0
March	730.7	725.6	736.0	725.0
May	740.3	735.2	749.0	745.0
July	750.1	745.0	750.0	747.0

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	Prev	High	Low
July	6.63	6.52	6.64	6.58
Sept	6.83	6.75	6.85	6.85
Oct	6.95	6.94	7.00	6.92
Jan	7.23	7.18	—	—
March	7.41	7.39	7.43	7.35
May	7.56	7.53	7.56	7.51
July	7.66	7.64	7.70	7.65
Oct	7.85	7.82	7.85	7.85

CHICAGO

LIVE CATTLE 40,000 lbs, cents/lb

	Close	Prev	High	Low
Aug	64.27	64.77	64.77	64.20
Oct	61.89	62.17	62.25	61.82
Dec	63.60	64.05	64.05	63.55
Feb	64.42	64.77	64.80	64.40
April	65.00	65.22	65.20	64.85
June	64.30	64.50	64.52	64.30

LIVE HOGS 30,000 lbs, cents/lb

	Close	Prev	High	Low
July	58.10	58.70	58.70	57.92
Aug	53.57	54.07	54.07	53.40
Oct	45.37	45.72	45.72	45.15
Dec	45.37	45.45	45.60	45.30
Feb	43.50	43.50	43.80	43.50
April	41.10	41.05	41.20	40.95
June	42.65	42.68	42.65	42.65
July	42.50	42.75	—	42.50
Aug	42.17	42.40	—	42.17

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	Prev	High	Low
July	192.2	187.6	193.0	190.0
Sept	196.4	193.4	197.4	194.8
Dec	202.2	198.2	203.0	200.6
March	209.4	206.4	210.0	208.0
May	212.4	209.0	213.0	211.0
July	213.4	210.2	214.2	212.2
Sept	211.4	208.0	—	—

PORK BELLIES 38,000 lbs, cents/lb

	Close	Prev	High	Low
July	76.77	77.72	77.20	76.15
Aug	74.12	74.85	75.00	73.50
Feb	61.17	60.95	61.58	60.65
March	60.65	60.10	61.20	60.30
May	62.20	62.20	—	61.80

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	Prev	High	Low
July	555.0	543.6	555.4	547.4
August	564.4	548.2	561.2	552.4
Sept	561.2	551.2	564.4	555.0
Nov	569.4	559.6	571.6	563.4
Jan	578.6	568.4	581.0	573.4
March	587.4	576.8	590.0	582.4
May	594.4	585.0	596.4	590.0
July	596.0	585.4	596.0	591.4
August	592.0	581.4	—	—

SOYABEAN MEAL 100 tons, $/ton

	Close	Prev	High	Low
July	176.4	170.6	175.9	172.2
August	174.1	169.2	174.7	170.7
Sept	174.2	169.7	174.3	170.5
Oct	173.0	169.2	174.5	171.0
Dec	175.4	171.7	176.3	173.0
Jan	176.2	172.7	176.5	174.0
March	178.0	176.0	179.0	177.5
May	178.2	176.0	179.5	176.0
July	178.2	176.5	179.0	178.1
August	178.0	176.5	178.0	177.0

SOYABEAN OIL 60,000lb, cents/lb

	Close	Prev	High	Low
July	16.67	16.30	16.70	16.35
August	16.86	16.49	16.87	16.65
Sept	17.00	16.65	17.00	16.86
Oct	17.16	16.85	17.16	17.00
Dec	17.46	17.13	17.49	17.20
Jan	17.57	17.26	17.60	17.48
March	17.90	17.62	17.90	17.80
May	18.15	17.75	18.15	18.03
July	18.36	18.07	18.35	18.15

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	Prev	High	Low
July	266.2	262.6	267.0	264.0
Sept	271.4	266.2	273.0	263.0
Dec	281.0	277.4	281.4	277.4
March	282.6	280.0	284.0	281.0
May	277.0	274.0	278.0	276.0
July	265.4	263.4	—	—

SPOT PRICES: Chicago loose lard 15.75 (15.50) cents per pound. Handy and Harman silver bullion 691.0 (686.0) cents per troy ounce. New York tin 310-2 (307-12) cents per pound.

POTATOES

Nervous long liquidation in response to renewed uncertainty over final planting figures and the inevitable easing in the earlies market led to an early sell off. Values fell over £2.00 by mid-session before staging a recovery towards the close, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business done
	£ per tonne		
Nov	90.00	90.50	89.50-89.00
Feb.	101.00	101.50	100.00-99.60
Apr.	138.90	139.20	139.50-137.00
May	142.60	141.50	140.00

Sales: 746 (635) lots of 40 tonnes.

OIL

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)—July		
Arab Light	—	—
Arab Heavy	—	—
Dubai	17.15-17.20*	n/a
Brent Blend	18.65-18.70	—0.20
W.T.I. (1pm est)	19.90-19.95	—0.475
Forcados (Nigeria)	—	—
Urals (cif NWE)	—	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	195-198	—
Gas Oil	154-155	—0.5
Heavy fuel Oil	104-106	—2
Naphtha	169-171	—

* August.

Petroleum Argus estimates.

SOYABEAN MEAL

	Yesterd'ys close £ per tonne	+ or —	Business done
August	132.5-133.0	+1.75	132.6-130.5
October	132.4-135.0	+2.45	132.5-131.5
Dec.	134.0-135.0	+2.50	134.0-132.5
Feb.	137.0-137.5	+2.75	—
April	137.5-138.0	+1.80	—
June	136.9-137.9	+0.05	—
August	136.0-138.0	—	—

Sales: 357 (167) lots of 20 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $171.00 (£106.00), down 40c (down £2.40) a tonne for July-August delivery. White sugar $180.40, up 20c.

No. 6 Contract	Yest'rdy's close	Previous close	Business done
	$ per tonne		
Aug	151.0-151.4	150.6-150.8	151.4-150.6
Oct	156.2-156.4	155.6-155.8	156.6-155.2
Dec	160.8 161.4	160.4-161.4	—
Mar	165.6-166.0	165.0-165.4	165.4-165.0
May	168.8-169.4	168.4 169.6	—
Aug	172.0-173.4	171.6-172.4	—
Oct	174.4-175.4	174.4-175.0	—

Sales: 1,406 (1,794) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £210.00 (£212.50) a tonne for export.

International Sugar Agreement—(US cents per pound fob and stowed Caribbean ports.) Prices for June 23: Daily price 6.45 (same); 15-day average 6.44 (6.42).

PARIS—(FFr per tonne): Aug 1102/1104, Oct 1131/1132, Dec 1155/1164, March 1203/1205, May 1230/1240, Aug 1260/1280.

GAS OIL FUTURES

Month	Yesterd'ys close US$ per tonne	+ or —	Business done
July	153.50	+0.25	154.25-52.25
Aug	155.00	—0.75	156.25-54.75
Sept	157.75	—0.75	158.75-57.00
Oct	160.25	—0.75	160.50-59.25
Nov	162.50	+0.50	163.25-61.75

Turnover: 2,196 (5,105) lots of 100 tonnes.

NHS 'needs more outside links'

BY ALAN PIKE, SOCIAL AFFAIRS CORRESPONDENT

CLOSER LINKS should be developed between the National Health Service and voluntary organisations, a report recommended yesterday.

The study, by a joint working party of the National Association of Health Authorities and the National Council for Voluntary Organisations, says the sheer size of the NHS has sometimes prevented it from responding to local needs. The NHS must accept that much ill health is not susceptible to treatment.

Partnership for Health NAHA. Garth House, 47, Edgbaston Park Road, Birmingham B15 2RS. £2.50.

CURRENCIES, MONEY & CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling confident as dollar slips

THE DOLLAR lost ground as dealers reacted to rumours of central bank intervention to sell the US currency, and a comment from the Bank of Japan that there is unlikely to be a further dollar rise, because of the continuing large US trade deficit.

Although there was no confirmation that central banks, including the US federal Reserve, sold dollars on Tuesday, the market found the suggestion quite plausible, and in line with February's Paris currency agreement to stabilise currency trading.

It was noted that the Japanese central bank does not expect a further appreciation of the dollar, but believes the market has become more stable.

The dollar fell to DM 1.8225 from DM 1.8330; to FFr 6.0825 from FFr 6.1175; to SFr 1.5110 from SFr 1.5180; and to Y145.00 from Y146.00.

On Bank of England figures the dollar's index fell to 102.0 from 102.6.

STERLING—Trading range against the dollar in 1987 is 1.6885 to 1.4710. May average 1.6665. Exchange rate index rose 0.6 to 72.3, compared with 69.0 six months ago.

Sterling showed renewed confidence, benefiting from the dollar's decline and showing no sign of retreat in sympathy with the US unit against other major currencies.

Confidence increased that the recent slide was no more than post-election profit taking, but it was feared that today's UK trade balance for May may be disappointing and provide a test of the recovery. The pound moved through several technical resistance levels, to a peak of $1.6265, before closing 2.20 cents higher on the day at $1.6210-1.6220. It also rose to DM 2.9550 from DM 2.9035; to FFr 9.8625 from FFr 9.7850; to SFr 2.4500 from SFr 2.4275; and to Y235.00 from Y233.50.

D-MARK — Trading range against the dollar in 1987 is 1.9395 to 1.7690. May average 1.7887. Exchange rate index 146.7 against 144.1 six months ago.

The D-Mark gained ground against the dollar, on rumours about central bank intervention and the comment by the Bank of Japan that the US currency is unlikely to appreciate further.

At the Frankfurt fixing the Bundesbank did not intervene when the dollar fell to DM 1.8219 from DM 1.8455. The US currency closed at DM 1.8245 in Frankfurt, compared with DM 1.8385 on Tuesday.

Any further significant rise by the dollar was considered unlikely following the comment by the Bank of Japan, and possible recent intervention by the US Federal Reserve and other central banks to stem demand.

The Bundesbank supplied enough liquidity at yesterday's securities repurchase agreement tender to more than replace an expiring agreement, but dealers noted warning's from Mr Karl Otto Poehl, who was yesterday re-elected as president of the Bundesbank, about excess West German money supply growth. This indicated there was unlikely to be any relaxation in monetary policy.

JAPANESE YEN—Trading range against the dollar in 1987 is 159.45 to 138.35. May average 140.55. Exchange rate index 220.0 against 204.4 six months ago.

The yen was little changed against the dollar as the market traded nervously on rumours of central bank intervention to sell the US currency. Japanese institutional investors were reported to be buyers of the dollar on suggestions the currency had found a near-term base support level.

Market sentiment indicated an early rise to around Y147, and a possible attack on the Y150 level, but this was before news that the Bank of Japan does not see a further appreciation by the dollar. The dollar closed at Y145.95 in Tokyo, compared with Y146.60 on Tuesday.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu June 24	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	42.4582	43.0072	+1.29	+0.76	±1.5344
Danish Krone	7.85212	7.80158	−0.64	−1.17	±1.6404
German D-Mark	2.05853	2.07443	+0.77	+0.24	±1.0981
French Franc	6.90403	6.92614	+0.32	−0.21	±1.3674
Dutch Guilder	2.31943	2.33581	+0.71	+0.18	±1.5012
Irish Punt	0.768411	0.774434	+0.78	+0.25	±1.6684
Italian Lira	1483.58	1499.87	+1.10	+1.10	±4.0752

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ IN NEW YORK

June 24	Latest	Previous Close
£ Spot	1.6210-1.6220	1.6025-1.6035
1 month	0.25-0.24 pm	0.26-0.25 pm
3 months	0.75-0.72 pm	0.80-0.77 pm
12 months	2.22-2.12 pm	2.51-2.41 pm

Forward premiums and discounts apply to the U.S. dollar.

STERLING INDEX

	June 24	Previous
8.30 am	72.0	71.8
9.00 am	72.0	71.8
10.00 am	72.0	71.8
11.00 am	72.0	71.7
Noon	72.3	71.6
1.00 pm	72.4	71.7
2.00 pm	72.4	71.7
3.00 pm	72.4	71.8
4.00 pm	72.3	71.7

CURRENCY RATES

June 24	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.792570	0.701861
U.S. Dollar	5.5	1.28445	1.13842
Canadian $	7.90	*	1.51842
Austrian Sch.	4	16.4718	14.5752
Belgian Franc	7½	48.5201	43.0072
Danish Krone	7	8.82417	7.80158
Deutsche Mark	3.0	2.34014	2.07443
Neth. Guilder	4½	2.63505	2.33581
French Franc	9½	7.81331	6.92614
Italian Lira	11.5	N/A	1499.87
Japanese Yen	2½	187.465	164.843
Norway Krone	8	8.59169	7.60520
Spanish Peseta	—	161.812	143.384
Swedish Krona	7½	8.18259	7.23692
Swiss Franc	3.5	1.93932	1.71844
Greek Drach.	20½	175.764	155.713
Irish Punt	—	1696.47	0.774434

*C$/SDR rate for June 22: 1.70735

CURRENCY MOVEMENTS

June 24	Bank of England Index	Morgan Guaranty Changes %
Sterling	72.3	−21.2
U.S. Dollar	102.0	−5.2
Canadian Dollar	77.7	−10.8
Austrian Schilling	137.7	+10.2
Belgian Franc	99.9	−4.5
Danish Krone	99.0	+3.4
Deutsche Mark	146.7	+21.5
Swiss Franc	172.3	+22.7
Guilder	134.9	+14.4
French Franc	71.5	−12.9
Lira	47.2	−18.2
Yen	220.0	+64.0

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base average 1975=100).

OTHER CURRENCIES

June 24	£	$
Argentina	2.8090-2.8220	1.7310-1.7380
Australia	2.2580-2.2610	1.3910-1.3920
Brazil	68.9535-69.3400	42.4930-42.7050
Finland	7.1670-7.1795	4.4260-4.4280
Greece	218.85-222.65	136.30-138.60
Hong Kong	12.6600-12.6700	7.8070-7.8080
Iran	117.00*	71.25*
Korea (Sth)	1295.30-1307.00	808.20-814.80
Kuwait	0.45650-0.45750	0.28175-0.28185
Luxembourg	61.30-61.40	37.80-37.90
Malaysia	4.0850-4.0900	2.5190-2.5205
Mexico	2149.80-2171.60	1325.00-1338.00
N. Zealand	2.7570-2.7620	1.7020-1.7050
Saudi Ar.	6.0805-6.0860	3.7500-3.7510
Singapore	3.4300-3.4360	2.1160-2.1170
S. Af. (Cm)	3.2900-3.3120	2.0325-2.0370
S. Af. (Fn)	5.4115-5.5980	3.3335-3.4485
Taiwan	49.65-49.85	31.00-31.10
U.A.E.	5.9545-5.9605	3.6725-3.6735

*Selling rate

POUND SPOT—FORWARD AGAINST THE POUND

June 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.6030-1.6265	1.6210-1.6220	0.26-0.23c pm	1.81	0.75-0.70 pm	1.79
Canada	2.1388-2.1679	2.1605-2.1615	0.14-0.40c pm	1.50	0.39-0.24 pm	0.58
Netherlands	3.30¾-3.33	3.32-3.33	1⅛-⅞c pm	3.61	3⅛-2⅞pm	3.61
Belgium	60.94-61.41	61.30-61.40	20-11c pm	3.03	52-38 pm	2.93
Denmark	11.05-11.14¼	11.12-11.13¼	⅛-⅜ ore dis	−0.47	⅛-1¼ dis	−0.29
Ireland	1.0989-1.1068	1.1020-1.1030	0.06-0.16 p dis	−1.20	0.13-0.38 dis	−0.93
W. Germany	2.94-2.96¼	2.95-2.96	1⅞-1¾pf pm	5.08	4-3¾ pm	5.25
Portugal	230.10-233	231.15-232.10	107-159c dis	−6.89	339-426 dis	−6.61
Spain	203.25-204.35	203.60-203.90	49-102c dis	−3.93	156-300 dis	−3.96
Italy	2132½-2142¾	2137½-2138½	Par-3 lire dis	−0.84	2-9 dis	−1.03
Norway	10.77-10.86¼	10.83½-10.84½	4⅞-5⅜ ore dis	−5.33	13⅞-14⅞ dis	−5.30
France	9.81½-9.89	9.85¾-9.86¾	⅞-¾ c pm	0.68	1⅞-⅝ pm	0.56
Sweden	10.24¾-10.33	10.31¼-10.32¼	½ Par ore pm	0.29	½-Par pm	0.15
Japan	232¾-235½	234½-235½	1⅛-⅞ y pm	5.11	3⅝-2¾ pm	5.11
Austria	20.66-20.83	20.70-20.73	8¼-7¼ gro pm	4.78	25⅞-25⅝ pm	4.97
Switzerland	2.43½-2.45½	2.44½-2.45½	1-⅞c pm	4.29	3⅛-2⅞ pm	4.90

Belgian rate is for convertible francs. Financial franc 61.50-61.60. Six-month forward dollar 1.27-1.22 c pm. 12-month 2.25-2.15c pm.

DOLLAR SPOT—FORWARD AGAINST THE DOLLAR

June 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.6030-1.6265	1.6210-1.6220	0.26-0.23c pm	1.81	0.75-0.70 pm	1.79
Ireland†	1.4600-1.4715	1.4700-1.4710	0.42-0.36c pm	3.18	1.28-1.13 pm	3.28
Canada	1.3330-1.3340	1.3330-1.3340	0.13-0.16c dis	−1.30	0.38-0.43dis	−1.21
Netherlands	2.0480-2.0645	2.0505-2.0515	0.33-0.29c pm	1.81	0.97-0.92 pm	1.84
Belgium	37.70-38.05	37.80-37.90	6-2c pm	1.27	14-7 pm	1.11
Denmark	6.84¼-6.89¾	6.86-6.86½	0.90-1.60ore dis	−2.19	3.00-3.70 dis	−1.95
W. Germany	1.8180-1.8345	1.8220-1.8230	0.54-0.51pf pm	3.46	1.59-1.54pm	3.44
Portugal	142¾-142¾	142⅛-142⅜	90-120c dis	−8.85	280-330 dis	−8.57
Spain	125.60-126.80	125.90-126.00	80-130c dis	10.02	225-325 dis	−8.75
Italy	1316-1326	1318¼-1318¾	2.50-3.50lire dis	−2.09	8.00-11.00 dis	−2.88
Norway	6.66½-6.72¼	6.68¼-6.68	3.70-4.20ore dis	−7.10	11.90-12.40dis	−7.28
France	6.07½-6.12¼	6.08-6.08½	0.30-0.65c dis	−0.91	1.85-2.15 dis	−1.20
Sweden	6.34½-6.39½	6.36-6.36½	0.65-0.95ore dis	1.51	2.65-3.05 dis	−1.83
Japan	144.25-145.95	144.95-145.05	0.42-0.39y pm	3.36	1.23-1.18 pm	3.33
Austria	12.78¼-12.89	12.81½-12.82¼	3.60-3.20gro pm	3.18	9.75-8.75 pm	2.89
Switzerland	1.5050-1.5200	1.5105-1.5115	0.37-0.32c pm	2.74	1.22-1.17 pm	3.16

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 37.90-38.00

EURO-CURRENCY INTEREST RATES

June 24	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	9-9⅛	9-9⅛	8 15/16-9 1/16	8 15/16-9 1/16	9 1/16-9⅛	9⅛-9¼
U.S. Dollar	6 11/16-6 13/16	7 1/16-7 3/16	7-7⅛	7 1/16-7 3/16	7¼-7⅜	7 5/16-7 7/16
Can. Dollar	8-8¼	8-8¼	8 3/16-8 5/16	8 5/16-8 7/16	8⅝-8¾	8 13/16-8 15/16
D. Guilder	5 5/16-5 7/16	5 5/16-5 7/16	5 5/16-5 7/16	5 5/16-5 7/16	5 5/16-5 7/16	5 7/16-5 9/16
Sw. Franc	½-1¼	1 11/16-1 13/16	4¼-4¼	3⅞-4	3 11/16-3 13/16	3 11/16-3 13/16
Deutschmark	3⅝-3¾	3⅞-4	3 11/16-3 13/16	3 11/16-3 13/16	3¾-3⅞	3 15/16-4 1/16
Fr. Franc	7⅞-8	8-8⅛	8 1/16-8 3/16	8¼-8⅜	8⅝-8¾	9 1/16-9 3/16
Italian Lire	9-11	8⅞-9⅜	9⅜-9⅞	9⅝-10	9¾-10⅛	10⅛-10½
B. Fr. (Fin.)	6 3/16-6 5/16	6½-6⅝	6¼-6⅜	6½-6⅝	6⅞-7	7-7⅛
B. Fr. (Con.)	6-6½	6¼-6⅜	6½-6⅝	6½-6⅝	6⅞-7	6⅞-7⅛
Yen	3¼-3⅜	4¼-4 3/16	3 13/16-4	3⅞-4	3 13/16-4	4-4 1/16
D. Krone	9-9¼	9⅜-9⅝	9⅜-9⅝	9¼-9½	9¼-9½	9⅜-9⅝
Asian S$ing	¼-⅞	N/A	4⅛-4¼	4⅛-4¼	4⅛-4⅜	4¼-4⅜

Long-term Eurodollars: Two years 8-8¼ per cent; three years 8⅛-8⅝ per cent; four years 8½-8¾ per cent; five years 8⅝-8⅞ per cent nominal. Short-term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

June 24	£	$	DM	YEN	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1.	1.622	2.955	235.0	9.853	2.450	3.325	2138.	2.161	61.35
$	0.617	1.	1.823	145.0	6.083	1.511	2.051	1319.	1.333	37.85
DM	0.338	0.549	1.	79.53	3.338	0.829	1.125	723.5	0.731	20.76
YEN	4.225	6.900	12.57	1000.	41.97	10.43	14.15	9098.	9.196	261.1
F Fr.	1.014	1.644	2.996	238.3	10.	2.484	3.371	2168.	2.191	62.21
S Fr.	0.408	0.662	1.206	95.92	4.026	1.	1.357	872.7	0.882	25.04
H Fl.	0.468	0.488	0.889	70.68	2.966	0.737	1.	643.0	0.650	18.45
Lira	0.463	0.758	1.382	109.9	4.613	1.146	1.555	1000.	1.011	28.70
C $	0.463	0.750	1.367	108.7	4.564	1.134	1.539	989.4	1.	28.39
B Fr.	1.630	2.643	4.817	383.0	16.08	3.993	5.420	3485.	3.522	100.

Yen per 1,000: French Fr per 10: Lira per 1,000: Belgian Fr per 100.

FINANCIAL FUTURES

Gilts finish stronger

GILT PRICES recovered in the London International Financial Futures Exchange yesterday to finish well up from Monday and close to the day's highs. The change in sentiment reflected a combination of oversold positions and a recovery by sterling.

The Septmber price opened at 123-28 up from 123.07 on Tuesday. Cash rates had moved firmer after the close of business on Tuesday and this accounted for the stronger opening. Consequently investors moved to cover short positions but dealers stressed that demand appeared to be predominantly domestic based.

From the opening level, values were boosted to 124-00 but came back to 123-21. Trading was a little choppy and while buying interest centred on covering positions rather than going long, there was still a number of attempts to push values lower. The latter failed to make a lasting impression and after touching a high of 124-12, the September price closed at 124-09.

Three-month sterling deposits started in much the same way, opening at 90.95 for September delivery up from 90.53. However, a lack of follow through demand left values struggling a little and after touching a high of 91.02, it came back to finish at 90.96.

US Treasury bonds finished down from opening levels and Tuesday's close. The September price opened at 92-04 and touched a high of 92-26 but displayed considerable uncertainty as the dollar showed signs of relinquishing recent gains. Sellers gained the upper hand later in the day and the price eased to 92-03 before recovering to finish at 92-18.

LIFFE LONG GILT FUTURES OPTIONS

Strike Price	Calls—Last Sept	Calls—Last Dec	Puts—Last Sept	Puts—Last Dec
120	4.55	5.48	0.37	1.38
122	3.25	4.30	1.07	2.20
124	2.13	3.30	1.59	3.20
126	1.23	2.35	3.05	4.25
128	0.48	1.53	4.30	5.43
130	0.25	1.18	6.07	7.08
132	0.12	0.56	7.38	8.46

Estimated volume total, Calls 1,859 Puts 1,125
Previous day's open int: Calls 25,196 Puts 15,473

LIFFE US TREASURY BOND FUTURES OPTIONS

Strike Price	Calls—Last Sept	Calls—Last Dec	Puts—Last Sept	Puts—Last Dec
84	8.45	8.01	0.09	0.25
86	6.56	6.22	0.20	0.46
88	5.14	4.55	0.42	1.15
90	3.39	3.38	1.03	1.62
92	2.17	2.35	1.45	2.59
94	1.16	1.47	2.44	4.07
96	0.42	1.08	4.06	5.32

Estimated volume total, Calls 90 Puts 53
Previous day's open int: Calls 1,613 Puts 580

LIFFE FT-SE 100 INDEX FUTURES OPTIONS

Strike Price	Calls—Last June	Calls—Last July	Puts—Last June	Puts—Last July
21750	8.93	10.74	1.83	3.64
22000	7.21	9.18	2.61	4.58
22250	5.70	7.76	3.60	5.66
22500	4.40	6.50	4.80	6.90
22750	3.31	5.38	6.21	8.28
23000	2.44	4.41	7.84	9.81
23250	1.74	3.57	9.64	11.47
23500	1.22	2.86	11.62	13.26

Estimated volume total, Calls 1 Puts 0
Previous day's open int: Calls 144 Puts 58

LIFFE £/$ OPTIONS
£25,000 (cents per £1)

Strike Price	Calls—Last July	Aug	Sept	Dec	Puts—Last July	Aug	Sept	Dec
1.45	—	—	16.85	16.85	—	—	0.05	0.41
1.50	11.85	11.85	11.85	11.85	0.00	0.09	0.27	1.08
1.55	6.85	6.94	7.18	7.99	0.03	0.53	0.99	2.34
1.60	2.38	3.35	3.85	5.03	0.67	1.94	2.66	4.38
1.65	0.38	1.20	1.68	2.90	3.67	4.79	5.49	7.25
1.70	0.02	0.31	0.60	1.53	8.31	8.90	9.41	10.88
1.75	0.00	0.05	0.17	0.74	13.29	13.64	13.98	15.09

Estimated volume total, Calls 52 Puts 32
Previous day's open int, Calls 649 Puts 1,784

LONDON SE £/$ OPTIONS
£12,500 (cents per £1)

Strike Price	Calls—Last July	Aug.	Sept.	Dec.	Puts—Last July	Aug.	Sept.	Dec.
1.45	—	—	12.70	12.90	—	—	1.50	2.70
1.50	11.50	11.50	11.50	12.50	0.25	0.30	0.65	1.50
1.55	6.50	7.50	6.70	7.80	0.25	0.85	1.30	2.65
1.60	2.85	3.85	3.70	4.80	0.85	2.20	3.05	4.80
1.65	0.75	1.40	1.80	2.80	4.00	5.30	6.00	7.65
1.70	0.20	0.45	0.80	1.65	9.00	9.50	9.90	11.70
1.75	0.20	0.35	0.50	1.20	14.30	14.80	15.30	16.50

Previous day's open int: Calls 1,927 Puts 308
Volume: 199

PHILADELPHIA SE £/$ OPTIONS
£12,500 (cents per £1)

Strike Price	Calls—Close Bid July	Aug.	Sept.	Dec.	Puts—Close Bid July	Aug.	Sept.	Dec.
1.600	2.40	3.40	3.70	5.00	1.55	1.70	2.50	4.00
1.625	1.10	2.05	2.40	—	1.60	2.60	3.40	—
1.650	0.50	1.30	1.75	2.90	3.20	4.50	5.00	6.60
1.675	0.15	0.75	—	2.05	5.40	6.20	—	8.20
1.700	0.05	0.35	0.70	1.50	7.70	8.10	8.70	
1.725	—	0.20	0.40	1.15	10.10	10.50	11.00	12.00
1.750	—	0.05	0.25	0.80	—	13.00	13.20	14.10

Previous day's open int: Calls 118,897 Puts 69,974
Previous day's volume: Calls 2,941 Puts 3,363

LIFFE—EURODOLLAR OPTIONS
$1m points of 100%

Strike Price	Calls—Last Sept.	Dec.	Mar.	June	Puts—Last Sept.	Dec.	Mar.	June
91.25	1.34	1.19	1.14	—	0.01	0.14	0.29	—
91.50	1.10	1.00	0.96	—	0.02	0.20	0.36	—
91.75	0.87	0.81	0.80	—	0.04	0.26	0.45	—
92.00	0.66	0.65	0.65	—	0.08	0.35	0.55	—
92.25	0.47	0.50	0.51	—	0.14	0.45	0.66	—
92.50	0.31	0.35	0.40	—	0.23	0.55	0.80	—
92.75	0.18	0.25	0.30	—	0.35	0.70	0.95	—

Previous day's open int: Calls 1,633 Puts 1,875
Estimated volume, Calls 24 Puts 61

LONDON

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev.
June	124-11	124-12	123-27	123-09
Sept.	124.09	124-12	123-21	123.07
Dec.	124.05	—	—	123.03

Estimated volume 44,823 (57,876)
Previous day's open int. 36,439 (32,477)

10% NOTIONAL SHORT GILT
£100,000 64ths of 100%

	Close	High	Low	Prev.
June	—	—	—	—

Estimated Volume 0 (0)
Previous day's open int. 0 (0)

THREE-MONTH STERLING
£500,000 points of 100%

	Close	High	Low	Prev.
Sept.	90.96	91.02	90.92	90.89
Dec.	90.91	90.95	90.90	90.87
Mar.	90.89	90.92	90.89	90.82
June	90.77	90.80	90.77	90.71
Sept.	90.67	90.66	90.65	90.62

Estimated Volume —Previous day's open int. (16,221)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev.
June	229.50	230.20	227.80	226.45
Sept.	234.60	235.20	232.80	231.85
Dec.	239.10	—	—	236.35

Estimated volume 1,460 (1,334)
Previous day's open int. 8,227 [illegible]

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev.
Sept.	92.58	92.64	92.50	92.66
Dec.	92.30	92.39	92.22	92.41
March	92.10	92.17	92.03	92.20
June	91.90	91.94	91.85	92.00
Sept.	91.72	—	—	91.82
Dec.	91.56	—	—	91.66
Mar.	91.42	—	—	91.52

Estimated volume 12,418 (7,620)
Previous day's open int. 25,741 (24,946)

U.S. TREASURY BONDS 8%
$100,000 32nds of 100%

	Close	High	Low	Prev.
Sept.	92-18	92-26	92-03	93.04
Dec.	91-20	—	—	22-06

Estimated Volume 7,581 (6,727)
Previous day's open int. 4,367 (4,065)

CHICAGO

U.S. TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Latest	High	Low	Prev.
Sept.	92.15	92.31	92.08	92.31
Dec.	91.19	92.02	91.11	92.02
Mar.	90.24	90.25	90.19	91.07
June	—	—	—	90.14
Sept.	—	—	—	89.23
Dec.	—	—	—	89.03
Mar.	—	—	—	88.17
June	—	—	—	88.01
Sept.	—	—	—	87.19
Dec.	—	—	—	87.07
Mar.	—	—	—	86.29

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev.
Sept.	93.84	93.86	93.81	93.91
Dec.	93.61	93.61	93.57	93.68
Mar.	93.44	93.44	93.40	93.50
June	93.22	—	93.22	93.32
Sep.	93.06	—	93.06	93.15
Dec.	—	—	—	92.95
Mar.	—	—	—	92.79

SWISS FRANC (IMM)
SFr 125,000 $ per SFr

	Latest	High	Low	Prev.
Sep.	0.6652	0.6677	0.6649	0.6625
Dec.	0.6712	0.6735	0.6707	0.6686
Mar.	0.6790	0.6800	—	0.6747

JAPANESE YEN (IMM)
Y12.5m $ per Y100

	Latest	High	Low	Prev.
Sept.	0.6952	0.6970	0.6950	0.6891
Dec.	0.7006	0.7022	0.7006	0.6944
Mar.	0.7077	0.7085	0.7072	0.7006
Jun.	—	—	—	0.7073

DEUTSCHE MARK (IMM)
DM125,000 $ per DM

	Latest	High	Low	Prev.
Sept.	0.5523	0.5537	0.5522	0.5489
Dec.	0.5574	0.5583	0.5571	0.5534
Mar.	0.5623	0.5630	0.5623	0.5582

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev.
Sept.	92.56	92.59	92.53	92.65
Dec.	92.28	92.30	92.26	92.39
Mar.	92.08	92.09	92.05	92.18
June	91.89	91.90	91.86	91.99
Sept.	91.72	91.72	91.67	91.81
Dec.	91.53	91.54	91.49	91.63
Mar.	91.37	91.38	91.34	91.47
June	91.23	91.24	91.20	91.33

STANDARD & POORS 500 INDEX
$500 times index

	Latest	High	Low	Prev.
Sept.	311.05	311.20	309.70	310.80
Dec.	—	313.25	311.85	313.00
Mar.	—	315.00	313.80	315.05
June	316.90	317.00	—	316.60

CURRENCY FUTURES

POUND—$ (FOREIGN EXCHANGE)

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.6215	1.6191	1.6143	1.6018	1.5995

IMM—STERLING $s per £

	Latest	High	Low	Prev
Sept.	1.6135	1.6210	1.6135	1.5935
Dec.	1.6070	1.6140	1.6070	1.5865
Mar.	1.6050	1.6100	—	1.5830

LIFFE—STERLING £25,000 $ per £

	Close	High	Low	Prev
Sept.	1.6119	1.6165	1.5985	1.5908
Dec.	1.6065	—	—	1.5842
Mar.	1.6020	—	—	1.5787

Estimated volume 7 (268)
Previous day's open int 703 (707)

MONEY MARKETS

UK rates steady as pound recovers

INTEREST RATES again finished slightly lower on the day, reflecting a better performance by sterling. Three-month interbank money was unchanged at 9⅛-9 per cent but longer term rates were lower. Conditions were a little more relaxed after the pound's recent shake out but once again the path of UK interest rates appeared dependent to a large extent on the performance of the dollar.

Overnight money opened at 9¼-9 per cent and rose to 9¾ per cent before easing to 8¾ per cent. Late balances were taken at 9½ per cent.

UK clearing bank base lending rate 9 per cent since May 8

The Bank of England forecast a shortage of around £750m with factors affecting the market including the repayment of any late assistance and bills maturing in official hands together with a take up of Treasury bills draining £197m and Exchequer transactions a further £420m. In addition there was a rise in the note circulation of £115m.

The Bank gave assistance in the morning of £18m through outright purchases of bills comprising £7m of eligible bank bills in band 1 and £11m in band 2 all at 8⅞ per cent.

Further help was given in the afternoon of £644m through outright purchases of £1m of Treasury bills and £317m of eligible bank bills in band 1 and £326m of eligible bank bills in band 2 all at 8⅞ per cent. Total help came to £662m.

In Frankfurt call money was a little firmer event though the Bundesbank allocated a larger than expected DM 8.1bn at its latest sale and repurchase tender. This also more than offset an expiring facility which drained DM 7bn.

A rise in the cost f short-term money reflected a continued drain on funds due to corporate tax payments. Dealers also pointed out that next week could see a further drain on funds due to pension payments. End of month and half year payments could also increase demand for short-term funds.

In Brussels the Belgian central bank cut its discount rate to 7½ per cent from 7¾ per cent. This followed two cuts in short-term Treasury bill rates in the last week which led to speculation that the discount rate would be reduced. At the same time the rate on current account advances or Lombard rate was cut to 7¾ per cent from 8 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. June 24) 3 months U.S. dollars		6 months U.S. dollars	
bid 7 1/16	offer 7 3/16	bid 7¼	offer 7⅜

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

		Treasury Bills and Bonds			
Prime rate	8.25	One month	5.38	Three year	7.72
Broker loan rate	8.00	Two month	5.48	Four year	7.86
Fed. funds	6⅝	Three month	5.90	Five year	7.95
Fed funds at intervention	6⅞	Six month	6.33	Seven year	8.14
		One year	6.73	10 year	8.29
		Two year	7.51	30 year	8.45

June 24	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	3.50-3.60	3.60-3.70	3.60-3.70	3.60-3.75	3.65-3.80	5.0
Paris	8-8 1/16	8⅛-8¼	8 3/16-8 5/16	8¼-8⅜	8 7/16-8 9/16	7¾
Zurich	⅞-1⅛	4⅞-4⅞	—	3⅞-4⅛	—	—
Amsterdam	5⅛-5¼	5 3/16-5 5/16	—	5 5/16-5 7/16	—	—
Tokyo	3.21875	3.59375	—	3.65625	—	—
Milan	10¾-11¼	10⅞-11⅛	—	10⅞-11⅛	—	—
Brussels	6.70	6 9/16-6 11/16	—	6⅝-6¾	—	—
Dublin	10¼-10½	10½-10⅝	10½-10¾	10⅝-10⅞	10⅝-10⅞	—

LONDON MONEY RATES

June 24	Over-night	7 days notice	Month	Three Months	Six Months	One Year
Interbank	9¼-8¾	9⅛-9	9⅛-8 15/16	9 1/16-9	9 1/16-8 15/16	9⅛-9⅛
Sterling CDs.	—	—	9-8⅞	9 1/16-8 15/16	9-8⅞	9-8 15/16
Local Authority Deposits	9	8 15/16	8 15/16	9 1/16	9 1/16	9 3/16
Local Authority Bonds	—	—	9 1/16	9 3/16	9 3/16	9¼
Discount M'ket Deposits	9½-8½	8⅞	8¾	8⅞	—	—
Company Deposits	—	—	9¼-9	9⅛	9⅛	9¼
Finance House Deposits	—	—	9	9⅛	9⅛	9¼
Treasury Bills (Buy)	—	—	8⅞	8 13/16	—	—
Bank Bills (Buy)	—	—	8⅞	8¾	8 13/16	—
Fine Trade Bills (Buy)	—	—	9 11/32	9 11/32	9	—
Dollar CDs	—	—	7.15-7.10	7.15-7.10	7.25-7.20	7.60-7.55
SDR Linked Deposits	—	—	6⅛-5⅞	6¼-6	6 7/16-6 3/16	6⅝-6⅜
ECU Linked Deposits	—	—	6 11/16-6 9/16	6¾-6⅝	6⅞-6¾	7 1/16-6 15/16

Treasury Bills (sell); one-month 8 13/16 per cent; three-months 8 13/16 per cent; Bank Bills (sell): one-month 8⅞ per cent; three months 8¾ per cent; Treasury Bills; Average tender rate of discount 8.6232 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day May 29, 1987. Agreed rates for period June 24 to July 25, 1987, Scheme I: 10.54 p.c., Schemes II & III: 10.12 p.c. Reference rate for period May 1 to May 29, 1987, Scheme IV: 8.873 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 9½ per cent from June 1, 1987: Bank Deposit Rates for sums at seven days' notice 3-3½ per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 8 per cent; one-three months 8¾ per cent; three-six months 9 per cent; six-nine months 9⅛ per cent; nine-12 months 9⅛ per cent; Under £100,000 8 per cent from June 24, Deposits withdrawn for cash 5 per cent.

WORLD MARKETS

FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY JUNE 24 1987					TUESDAY JUNE 23 1987			DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1987 High	1987 Low	Year ago (approx)
Australia (94)	131.66	+0.1	120.38	121.85	3.21	131.47	121.86	122.11	140.95	99.92	84.17
Austria (16)	86.49	+0.9	79.08	81.88	2.27	85.71	79.44	81.77	101.62	85.71	85.44
Belgium (47)	119.04	+1.0	108.84	111.41	4.26	117.88	109.26	110.75	123.62	96.19	80.04
Canada (127)	126.59	+0.1	115.74	122.23	2.37	126.51	117.27	122.21	136.17	100.00	99.00
Denmark (39)	119.80	+0.0	109.53	111.81	2.46	119.74	110.99	112.25	124.10	98.18	94.76
France (122)	106.00	−0.8	96.92	101.14	2.73	106.89	99.07	102.57	121.82	98.39	82.31
West Germany (90)	95.73	−2.3	87.55	90.71	2.05	97.98	90.82	93.37	100.33	84.00	82.60
Hong Kong (45)	121.30	+1.8	110.90	121.58	2.83	119.12	110.42	119.41	121.30	96.89	71.33
Ireland (14)	129.82	+0.0	118.70	124.40	3.57	129.78	120.29	125.16	131.86	99.50	86.53
Italy (76)	99.94	−0.5	91.38	98.41	1.83	100.45	93.11	99.33	112.11	94.76	80.34
Japan (458)	147.55	+0.7	134.91	135.24	0.50	146.60	135.88	135.29	161.28	100.00	80.50
Malaysia (36)	170.29	+0.0	155.70	165.24	2.28	170.29	157.84	165.88	172.55	98.24	89.13
Mexico (14)	254.97	−0.4	233.13	371.19	0.59	255.99	237.28	372.11	268.91	99.72	50.13
Netherland (38)	120.88	+0.3	110.52	113.16	3.88	120.55	111.74	113.57	120.88	99.65	90.03
New Zealand (27)	98.11	+0.8	89.71	88.75	3.07	97.36	90.25	88.28	100.59	83.93	70.92
Norway (24)	138.28	−0.9	126.43	125.47	1.99	139.58	129.37	127.55	140.05	100.00	101.45
Singapore (27)	144.97	+0.9	132.55	141.39	1.74	143.62	133.12	140.41	144.97	99.29	79.20
South Africa (61)	156.93	+3.1	143.48	116.31	3.52	152.15	141.03	113.73	186.74	100.00	75.64
Spain (43)	121.09	+0.9	110.72	115.54	3.38	120.04	111.27	115.40	121.31	100.00	83.16
Sweden (33)	114.17	+0.6	104.39	107.54	2.14	113.53	105.23	107.52	124.68	90.85	87.68
Switzerland (51)	97.80	−1.3	89.42	91.61	1.86	99.06	91.82	93.23	104.06	92.01	83.35
United Kingdom (335)	148.44	+2.3	135.72	135.72	3.11	145.15	134.54	134.54	151.46	99.65	99.96
USA (593)	125.55	−0.5	114.79	125.55	2.89	126.22	116.99	126.22	126.68	100.00	104.05
Europe (928)	121.17	+0.6	110.79	113.24	2.80	120.46	111.66	113.64	121.71	99.78	89.65
Pacific Basin (687)	145.93	+0.7	133.43	134.13	0.66	144.97	134.38	134.13	158.64	100.00	80.34
Euro–Pacific (1615)	136.08	+0.6	124.42	125.79	1.43	135.22	125.34	125.95	143.34	100.00	84.01
North America (720)	125.60	−0.5	114.84	125.38	2.86	126.23	117.00	126.02	126.70	100.00	103.78
World Ex. US (1817)	136.04	+0.6	124.38	130.50	1.48	135.17	125.29	130.62	143.09	100.00	84.42
World Ex. UK (2075)	130.29	+0.0	119.13	124.79	1.88	130.32	120.79	125.26	133.55	100.00	91.38
World Ex. So. Af. (2349)	131.75	+0.2	120.46	125.85	1.99	131.51	121.90	126.19	134.83	100.00	92.21
World Ex. Japan (1952)	124.49	+0.0	113.82	121.11	2.85	124.54	115.44	121.57	124.54	100.00	97.66
The World Index (2410)	131.91	+0.2	120.61	125.80	2.00	131.64	122.02	126.12	134.97	100.00	92.11

Base values: Dec 31, 1986 = 100

EUROPEAN OPTIONS EXCHANGE

Series		Aug 87 Vol.	Aug 87 Last	Nov 87 Vol.	Nov 87 Last	Feb 88 Vol.	Feb 88 Last	Stock
GOLD C	$440	157	18.50	—	—	1	42	$442.20
GOLD C	$460	177	9.20	1	21.50	7	32	"
GOLD C	$480	100	5.50	128	14.50	—	—	"
GOLD C	$500	53	2.50	57	10	—	—	"
GOLD C	$520	54	1.20	33	7.50	—	—	"
GOLD P	$460	30	21	50	27.90	10	30	"
		Sep 87		Dec 87		Mch 88		
SILVER C	$750	12	55	10	95	—	—	$691
SILVER C	$800	7	40	98	70	—	—	"
SILVER C	$850	—	—	26	60	—	—	"
SILVER C	$900	23	30	—	—	—	—	"
SILVER C	$1000	—	—	15	30	—	—	"
SILVER P	$800	20	120	—	—	—	—	"
		Jul 87		Aug 87		Sep 87		
$/Fl C	Fl.200	—	—	17	6.30	5	6.80	Fl.205.23
$/Fl C	Fl.205	545	2.10	—	—	34	4.20A	"
$/Fl C	Fl.210	63	0.70	36	1.50	—	—	"
$/Fl P	Fl.205	53	2	9	3.60	—	—	"
$/Fl P	Fl.210	31	5.60	—	—	—	—	"
		Dec 87		Mch 88		Jun 88		
$/Fl C	Fl.200	—	—	10	8.50	1	9.70	Fl.205.23
$/Fl C	Fl.205	—	—	4	6.80	—	—	"
$/Fl C	Fl.210	—	—	—	—	1	5.80	"
$/Fl P	Fl.205	8	6.50	4	9	—	—	"
		July 87		Oct 87		Jan 88		
ABN C	Fl.480	94	5.20	22	14	4	23	Fl.471.50
ABN P	Fl.460	42	3.30	23	13	2	18	"
AEGON C	Fl.90	263	4.80	89	7.30	6	9.20	Fl.94
AEGON P	Fl.90	126	0.80	30	2.60	5	3.50	"
AHOLD C	Fl.95	33	6.20B	38	8.50	3	9	Fl.101.40
AHOLD P	Fl.100	200	2	217	4.30	—	—	"
AHOLD P	Fl.90.90	81	0.70	15	1.50	—	—	"
AKZO C	Fl.140	1152	7.50	241	12.50	20	15	Fl.146.30
AKZO P	Fl.140	269	1	192	3.90	82	5.20	"
AMEV C	Fl.65	121	1.50	36	3.80	14	4.50	Fl.64.70
AMEV P	Fl.65	25	2	438	3.50	—	—	"
AMRO C	Fl.85	152	0.20	55	1	10	2	Fl.74.90
AMRO P	Fl.80	—	—	125	6.70	—	—	"
ELSEVIER C	Fl.52	297	2.40	480	5	—	—	Fl.52.90
ELSEVIER P	Fl.52	331	1.50	—	—	—	—	"
GIST-BROC. C	Fl.45	588	2.20	1986	4.20	82	5	Fl.46.20
GIST-BROC. P	Fl.45	205	1	198	2.50	46	3.20	"
HEINEKEN C	Fl.190	229	1.10	33	3.40	25	5.20B	Fl.179
HEINEKEN P	Fl.170	276	1	22	3.90	—	—	"
HOOGOVENS C	Fl.40	248	3.60	28	4.80	1	6.50	Fl.45
HOOGOVENS P	Fl.40	31	0.50	22	1.80	10	2.50	"
KLM C	Fl.50	499	1.80	541	3.10	197	4.40	Fl.51
KLM P	Fl.50	137	0.90	323	2.70	24	3.80	"
NEDLLOYD C	Fl.150	14	2.50	112	7.40	4	9	Fl.147
NEDLLOYD P	Fl.140	515	1.80	24	5.40	—	—	"
NAT.NED. C	Fl.75	248	1.40	1145	3.40	145	5.20	Fl.73
NAT.NED. P	Fl.75	175	3.10	685	5.10	10	5.60	"
PHILIPS C	Fl.50	1195	2.10	311	4.30	116	5.40	Fl.51.30
PHILIPS P	Fl.50	443	0.70	198	1.90	135	3	"
ROYAL DUTCH C	Fl.270	542	2.30	197	7	60	10.20	Fl.264.70
ROYAL DUTCH P	Fl.260	198	1.90	200	7.40	3	8.50A	"
ROBECO C	Fl.110	—	—	13	1.30	1	3	Fl.106.80
UNILEVER C	Fl.680	440	13.20	62	35	—	—	Fl.680
UNILEVER P	Fl.660	118	4.60	76	15	1	22.90A	"

TOTAL VOLUME IN CONTRACTS: 41,200

A=Ask B=Bid C=Call P=Put

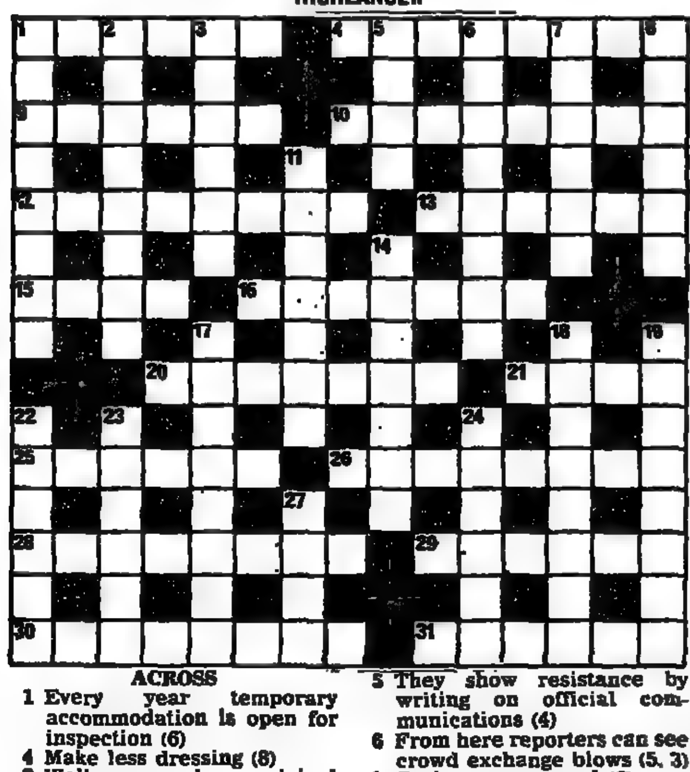
BASE LENDING RATES

	%		%		%
ABN Bank	9	● Charterhouse Bank	9	Nat Bk. of Kuwait	9
Adam & Company	9	Citibank NA	9	NatWestminster	9
Allied Arab Bk Ltd	9	City Merchants Bank	9	Northern Bank Ltd	9
Allied Dunbar & Co	9	Clydesdale Bank	9	Norwich Gen. Trust	9
Allied Irish Bank	9	Comm. Bk. N. East	9	PK Finans. Intl (UK)	10
American Exp. Bk	9	Consolidated Cred	9	Provincial Trust Ltd	10
Amro Bank	9	Co-operative Bank	*9	R. Raphael & Sons	9
Henry Ansbacher	9	Cyprus Popular Bk	9	Roxburghe G'rantee	9½
ANZ Banking Group	9	Duncan Lawrie	9	Royal Bk of Scotland	9
Associates Cap Corp	9	Equat'l TstC'p plc	9	Royal Trust Bank	9
Authority & Co Ltd	9	Exeter Trust Ltd	9½	Smith & Williams Secs	9
Banco de Bilbao	9	Financial & Gen. Sec	9	Standard Chartered	9
Bank Hapoalim	9	First Nat. Fin. Corp	10	Trustee Savings Bank	9
Bank Leumi (UK)	9	First Nat. Sec. Ltd	10	UDT Mortgage Exp	¶11.1
Bank Credit & Comm	9	● Robert Fleming & Co	9	United Bk of Kuwait	9
Bank of Cyprus	9	Robert Fraser & Ptrs	10	United Mizrahi Bank	9
Bank of Ireland	9	Girobank	9	Unity Trust PLC	9
Bank of India	9	Grindlays Bank	‡9	Western Trust	9
Bank of Scotland	9	● Guinness Mahon	9	Westpac Bank Corp	9
Banque Belge Ltd	9	HFC Trust & Savings	9	Whiteaway Laidlaw	9½
Barclays Bank	9	● Hambros Bank	9	Yorkshire Bank	9
Benchmark Tst Ltd	9	Heritable & Gen. Tst	9		
Beneficial Trust Ltd	10	● Hill Samuel	§9		
Berliner Bank AG	9	C. Hoare & Co	9		
Brit Bk of Mid East	9	Hongkong & Shangh	9		
● Brown Shipley	9	Lloyds Bank	9		
Business Mage Tst	9	Meghraj & Sons Ltd	9		
CL Bank Nederland	9	Midland Bank	9		
Canada Permanent	9	● Morgan Grenfell	9		
Cayzer Ltd	9	Mount Credit Corp. Ltd	9		

● Members of the Accepting Houses Committee. * 7-day deposits 4%. Sunwise 6.66%. Top Tier—£2,500+ at 3 months' notice 7.97%. At call when £10,000+ remains deposited. ‡ Call deposits £1,000 and over 4½% gross. ¶ Mortgage base rate. § Demand deposit 3.99%. Mortgage 11.25%.

FT CROSSWORD PUZZLE NO. 6,361

HIGHLANDER



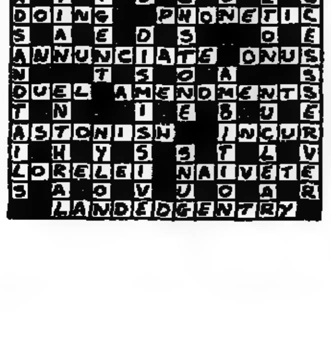
ACROSS

1 Every year temporary accommodation is open for inspection (6)
4 Make less dressing (8)
9 Well-mannered municipal engineer (6)
10 Forgetful in morning; nice as pie afterwards (8)
12 Surrendered—that's line taken by *military* (8)
13 Attributable partly to crass ignorance (6)
15 A capital group of musicians, as well (4)
16 I save about two-thirds of one shift (7)
20 Backing song in *Kismet*? (7)
21 Where some people swim with nothing on top (4)
25 Quick game during training (6)
26 A minor perhaps gets food fingered by pianist (8)
28 Mine is so wrong, an issue could be made of it (8)
29 It's conventional in Switzerland (6)
30 Two heard to decline the sweet (8)
31 When speaking it's wrong to strain sentence construction (6)

DOWN

1 Quiet, red and blue, from Germany (8)
2 Don't travel so far with this tyre (8)
3 Sister covers Channel Islands with old papal diplomat (6)
5 They show resistance by writing on official communications (4)
6 From here reporters can see crowd exchange blows (5, 3)
7 Evoke wrong sound (6)
8 Back in a flash (6)
11 The importance of it appearing in flavouring (7)
14 In pieces for instance, below (7)
17 Created calm (8)
18 Left main off when securing wire (8)
19 Wine which reportedly generated money in America (8)
22 Maintenance costs on high tower (6)
23 Put glass down before a policeman gets it (6)
24 State of uncertainty doesn't begin with being in a particular place (6)
27 It didn't survive two acts (4)

Solution to Puzzle No. 6,360



FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

	Bid Price	Offer Price	+ or −	Yield Gross
Abbey Unit Tst. Mngrs. (a)				
80 Holdenhurst Rd, Bournemouth				0345 717373
High Income				
American Income	53.2	56.6	−0.7	4.3
Gilts & Fixed Int	113.5	120.0xd	+0.4	10.90
High Inc Equity	135.8	144.5	+1.3	3.40
Worldwide Bond	190.5	202.6xd	−1.3	4.79
Capital Growth				
American Growth	173.6	184.6	−2.9	0.60
Asian Pacific	81.1	86.2		1.03
Assets & Emrgs. Tst	173.5	184.3xd	+0.7	1.21
Capital Reserve	72.6	72.9	+0.5	1.38
Commodity & Energy	156.4	166.3	−1.9	0.55
European Capital	93.4	99.3	+0.2	1.25
General	189.2	201.2	+2.5	2.24
Japan	94.7	100.7	+0.4	0.0
Mastertrust	94.7	99.0	+0.3	1.52
UK Growth Acc Units	246.0	261.7	+1.6	0.75
UK Growth Dist	169.3	180.1	+1.1	1.09
U.S. Emerging Co's	57.6	61.2	−0.7	1.78
Income & Growth	295.0	313.9	+3.0	2.24

FT UNIT TRUST INFORMATION SERVICE

Mercury Fund Managers Ltd (c)
33 King William St, EC4R 9AS 01-280 2060

American Growth	109.0	115 3	1 0	—
(Accum Units)	114.2	120 5	-1 1	—
British Blue Chip Fund	52.0	55.0	+0.7	—
(Accum Units)	52.0	55.0	+0.7	—
American Sm Cos Fd	51 4	54 3	-1.3	—
(Accum Units)	51 4	54.3	-1.3	—
American Income	52.3	55.3	+0.0	—
(Accum Units)	56.9	60.2	-0 1	—
European Growth	141.2	149.5	+2.0	—
(Accum Units)	146.1	154 6	+2.1	—
European Income	79.8	84.4xd	+1.1	—
(Accum Units)	83.8	88.6xd	+1.3	—
General	362.6	383.7	+3.0	—
(Accum Units)	602.3	637.3	+5.0	—
Gilt	89.6	90.0xd	+1.3	—
(Accum Units)	106.6	107.1xd	+1.5	—
Global Fund	49.6	52.4	+0.4	—
(Accum Units)	49.6	52.4	+0.4	—
High Interest Fund	47.8	50.5xd	+0 1	—
(Accum Units)	48.1	50.9xd	+0.2	—
High Income Fund	51.6	54.5	+0.4	—
(Accum Units)	51.9	54.9	+0.3	—
Income	118.3	125.1xd	+0.5	—
(Accum Units)	135.7	143.5xd	+0.6	—
International	299.2	316.6xd	+2.3	—
(Accum Units)	374.5	396.2xd	+2.7	—
Japan	218 7	231.4	+3.9	—
(Accum Units)	224.5	237.5	+4.0	—
Pacific Fd	52 4	55.4xd	-0.4	—
(Accum Units)	52.4	55.4xd	-0.4	—
Recovery	303.2	320.8	+1.6	—
(Accum Units)	329 7	348.8	+1.7	—
UK Smaller Co's Fd	51.5	54 4	+0 1	—
(Accum Units)	51.5	54 4	+0 1	—
Exempt May 27	348.1	357 0	-5.6	—
(Accum Units)	545.5	559.3	-8.8	—

Metropolitan Unit Trust Mngrs Ltd
3 Darkes Lane, Potters Bar EN6 1AJ. 0707 45194

UK Income Fund	60.4	64.2	+0.3	4.67
Accum Units	60.4	64.2	+0.3	4.67
UK Growth Fund Acc.	62.2	66.1	+0.8	1.51
Global Income Fund	49.8	52.9	+0 1	3.78
Accum Units	49.8	52.9	+0 1	3.78
Global Growth Fund	46.5	49.5	+0.2	0.50

Midland Bank Group UT Mngrs. Ltd
Courtwood House, Silver St, Head, Sheffield S1 3RD
Tel: 0742 769842

Capital	121.6	129.0	+1.6	—
(Accum Units)	166.9	177.1	+2.2	—
Commodity & Gen.	171.5	182.0	-0.7	—
(Accum Units)	244.9	259.9	-1.1	—
European Growth	127.3	134.9	-0.4	—
(Accum Units)	153.6	162.8	-0.4	—
Extra High Inc	73.8	78.3	+0.4	—
(Accum Units)	89.6	95.1	+0.5	—
Gilt & Fxd. Int.	56.3	57.7	+0.5	—
(Accum Units)	96.4	100.7	+0.8	—
High Yield	213.6	226.6	+1.8	—
(Accum Units)	377.8	400.9	+3.3	—
Income	245.4	260.3	+3.2	—
(Accum Units)	411.3	436.4	+5.3	—
Intl High St UT	56.0	59.5	+0.6	—
Do. Accum	56.0	59.5	+0.6	—
Japan and Pacific	351.0	372.3	+1.2	—
(Accum Units)	368.8	391.2	+1.3	—
Managed Portfolio Acc.	67.9	71.8	+0.4	—
North American	127.5	135.2	-2.3	—
(Accum Units)	154.0	163.4	-2.8	—
Smaller Cos.	193.9	205.7	+2.1	—
(Accum Units)	208.6	221.3	+2.3	—

MIM Britannia Unit Tst Mgrs Ltd (a)(c)(g)
74-78 Finsbury Pavement, London EC2A 1JD
Dealing Callfree 0800 010733.

Prudential Unit Trust Mngrs Ltd (a) (b) (c)
51-59 Ilford Hill, Ilford, Essex IG1 2DL 01-478 3377
Holborn LinkLine 0800 010345

Holborn Comm Tst	77.6	82 1	-0.2	0.37
Holborn Equity Income	69.3	73.3xd	+0.8	3.51
Holborn Equity Tst	576.0	609.5	+5.2	2.22
Holborn European Tst	114.9	121.5xd		0.68
Holborn Gilt Tst	215.2	224.2	+1.3	2.12
Holborn High Inc Tst	84.8	89.7xd	+0.6	4.81
Holborn Intl Grth Tst	118.0	124.8	+0.2	0.70
Holborn Japanese Tst	133.5	141.2	-0.6	0.04
Holborn N. Amer. Tst.	92.1	97.4xd	-1.2	0.50
Holborn Sm Cos Tst.	75.1	79.4	+0.3	1.46
Holborn Spec Sits Tst.	98.6	103.7xd	+1.3	1.41
Holborn UK Growth Tst.	115.1	121.7	+1.6	1.54

Quilter Management Co Ltd
31-45 Gresham Street, London EC2 01-600 4177

Quadrant Gen. Fd	651.2	689.2	.....	—
Quadrant Income	329.8	349.0	..	—
Quadrant Intl. Fund	442.0	467.8	..	-
Quadrant Spec. Sits	421.2	445.8	..	—

Reliance Unit Mgrs. Ltd
Reliance House, Tunbridge Wells, Kent 0892 510033

British Life	237.7	252.7	+2.6	2.27
Reliance Unit Tst (Inc)	161.1	171.3	+1.6	1.89
Reliance Ut Tst (Acc)	216.8	230.6	+2.3	1.89

Rensburg Fund Managers
Silkhouse Ct., Tithebarn St., Liverpool. 051-227 2030

Internat. Growth Trust	49.9	52.5	-0.3	1.5

N.M. Rothschild Fund Mgmt
St Swithin's Lane, London EC4 01-634 2981/4

NC America (Inc)	321.5	342.0	-4 9	—
NC America (Acc)	351.0	373.4	-5 4	—
NC Inc Fd	123.6	131 4xd	+1 7	—
NC Japan Fd.	206.2	219.3	-4 1	-
NC Major UK Cos Fd	71.41	75.9xd	+0.8	—
NC Smlr Australasian	86 7	92.2	-1.5	—
NC Smlr Canadian CoFd.	47 9	50.9	..	—
NC Smaller Cos	228 0	242 5	+0.3	—
NC Smaller European	193.1	205 4	+0 1	—
NC Prop.*	155.1	169.5	...	(z)

*Unauthorised Unit Trusts

Rowan Unit Trust Mngt. (a)
33, King William St, London EC4R 9AS 01-638 5678

Merlin June 6	604.0	612.0	..	1.15

Royal Bank of Canada Fds.
RBC Trust Managers Limited.
1, London Wall, London EC2Y 5JX. 01-600 6222

RBC Select Gwth Acc.	78.8	83 8	+0.2	—
RBC Select Income	79.5	84.5	+0 7	—
RBC Select Inc Acc.	81 4	86.5	+0 7	—
RBC Select N. American	52.2	55.5	-0.7	—
RBC Select Total	54.2	57.6	-0.2	—

Royal Life Fd Mgmt Ltd
PO Box 34, Peterborough PE2 0UE. 0733 230000

Equity Trust	85.0	89.9	+1.1	—
International Trust	91.1	96.3	-0.6	—
United States Trust	39.1	41.3	-0.4	—
Pacific Basin	57.6	60.9	+0.1	—
Gilt Trust	27.2	28.6	+0.1	—
Equity Gwth Accum	261.1	276.3	+1.8	—
Equity Growth Dist	184.3	195.1	+1.3	—
High Inc Accum	146.0	154.6	+1.1	—
High Inc Dist	121.1	128.2	+1.0	—
US Growth Accum	69.1	73.2	-2.0	—
US Growth Dist	67 4	71.4	-2.0	—

INSURANCES

FT UNIT TRUST INFORMATION SERVICE

Manufacturers Life Insurance—Contd.

Pension Fund Prices

Managed Inst.	326.1		—
Do. Accum	398.3		—
Property Inst.	242.9		
Do. Accum.	296.5		—
Equity Inst.	423.2		—
Do. Accum.	516.0		
Gilt-Edged Inst.	235.4		—
Do. Accum	287.4		—
Guaranteed Inst.	157.5		—
Do. Accum.	192.4		—
International Inst.	517.8		—
Do. Accum.	631.8		—
Index LA. Gilt Inst.	137.3		—
Do. Accum.	167.6		

Merchant Investors Assurance

Leon House, 233 High St, Croydon 01-686 9171

Property	299.3	+0.0	-
Property Pens.	399.9	+0.1	-
Equity	194.5	+0.9	-
Equity Pens.	886.7	+6.5	-
Money Market	311.8	+0.2	-
Money Mkt. Pens.	556.9	+0.4	-
Deposit	235.9	+0.1	-
Deposit Pens.	374.7	+0.1	-
Managed	288.1	+0.3	-
Managed Pens.	565.2	+1.4	-
Intl. Equity	340.4	+1.1	-
Do. Pens.	548.4	+2.6	-
Intl. Managed	312.6	+0.8	-
Do. Pens.	463.5	+1.7	-
North American	130.9	-0.5	-
Do. Pens.	151.2	-1.1	-
Far East	293.6	+1.3	-
Do. Pens.	425.5	+1.8	-
Intnl. Currency	174.9	+0.0	-
Do. Pens.	229.0	+0.1	-
Index Linked	130.2	-0.3	-
S & C Managed Fd	142.6	+0.4	-
S & C Pens Mngd Fd	116.3	+0.4	-

Trustlink Life Funds

Per Worldwide Rec.	157.3	+0.5	-
Do. Far East Growth	188.3	-0.7	-

Norwich Union Asset Management Ltd

PO Box 124, Norwich NR1 1JS

NUAM Funds

Managed Fund; Stock Market Mngd Fund; Equity Fund; International Fund; European Fund; North American Fund; Pacific Fund; Property Fund; Fixed Interest Funds; Index linked Sec Fund; Deposit Fund

NUAM Retirement Plan

Mixed Fund; UK Ordinary Share; International Fund; Property Fund; Fixed Interest Fund; Index Linked Sec Fund; Deposit Fund

NUAM (MF)

Managed Fund; Equity Fund; Property Fund; Fixed Interest Fund; Deposit Fund; International Fund; Index Linked Sec Fund

Norwich Union Life Insurance Soc.

PO Box 4, Norwich

Pensionmaster* & Unit-Linked Plan

Fixed Interest Fund; Index-Linked Sec Fund; Ordinary Share Fund; International Fund; Property Fund; Deposit Fund; Mixed Fund; Norwich Units May 15

OFFSHORE AND OVERSEAS

MANAGEMENT SERVICES

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1987 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
101⅞	100⅞	Treas. 12pc 1987	101[illegible]	+[illegible]	11.88	8.75
99¾	97[illegible]	Treas 7¾pc 1985-88‡‡	99[illegible]xd	+[illegible]	7.78	8.42
102⅝	99[illegible]	Exch 10½pc '88	101[illegible]	+[illegible]	10.37	8.89
101[illegible]	98[illegible]	Treas 9½pc Cv '88	100⅝	+[illegible]	9.68	8.89
96⅞	93[illegible]	Transport 3pc '78-88	96[illegible]xd	+[illegible]	3.10	6.20
101⅝	98[illegible]	Treas. 9½pc '88	100[illegible]	+⅛	9.45	8.99
105[illegible]	101[illegible]	Treas 11½pc 1989	103[illegible]	+[illegible]	11.08	8.97
102[illegible]	97[illegible]	Treas 9½pc Cnv 1989	100[illegible]	+[illegible]	9.41	8.88
94⅝	89¾	Treas 3pc 1989	93[illegible]	+[illegible]	3.19	6.45
104⅝	99[illegible]	Treas 10½pc 1989	102[illegible]	+[illegible]	10.23	8.99
103[illegible]	98½	Exch.10pc 1989	101[illegible]	+⅛	9.83	9.08
105⅝	100⅝	Exch 11pc 1989	103[illegible]	+⅛	10.58	8.98
95[illegible]	89[illegible]	Treas 5pc 1986-89	94[illegible]	+[illegible]	5.28	7.57
108[illegible]	100⅞	Exch 10¼pcCv '89	104[illegible]	+[illegible]	9.75	7.82
111[illegible]	105⅝	Treas 13pc 1990‡‡	109[illegible]xd	+[illegible]	11.92	8.93
106⅝	100[illegible]	Exch 11pc 1990‡‡	104[illegible]	+[illegible]	10.52	9.01
110[illegible]	104[illegible]	Exch. 12½pc 1990	108[illegible]	+[illegible]	11.54	9.06
91[illegible]	84½	Treas. 3pc 1990	90[illegible]	+⅛	3.31	6.61
100[illegible]	93[illegible]	Treas 8¼pc 1987-90‡‡	99½	+¼	8.29	8.41
105	97½	Treas. 10pcCv 1990	102¾	+[illegible]	9.74	9.02
89[illegible]	81[illegible]	Exch 2½pc 1990	88[illegible]	+[illegible]	2.83	6.36
110½	103¼	Treas 11¾pc 1991	108[illegible]xd	+[illegible]	10.88	9.03
95[illegible]	87¾	Funding 5¾pc '87-91‡‡	93[illegible]	+[illegible]	6.15	7.76
89[illegible]	80¾	Treas. 3pc 1991	87[illegible]	+[illegible]	3.42	6.64
110⅝	103[illegible]	Treas 10pc Cv '91 ‡‡	106[illegible]xd	+[illegible]	9.42	8.18
109⅝	101¼	Exch. 11pc 1991	106[illegible]	+[illegible]	10.30	9.05
116[illegible]	108[illegible]	Treas 12¾pc 1992‡‡	113[illegible]xd	+[illegible]	11.24	9.08
106[illegible]	97[illegible]	Treas 10pc 1992	103½	+⅛	9.67	9.08
49⅝	45⅝	Treas. 8pc 1992 ‡‡(£50pd)	46[illegible]	+[illegible]	8.15	8.47
109[illegible]	99[illegible]	Treas 10½pc Cv 1992‡‡	105[illegible]	+[illegible]	9.961	9.06

Five to Fifteen Years

BRITISH FUNDS—Contd

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

Over Fifteen Years

Undated

FOREIGN BONDS & RAILS

AMERICANS

Continued on next page

Money Market Bank Accounts

Money Market Trust Funds

UNIT TRUST NOTES

LONDON SHARE SERVICE

AMERICANS—Continued

1987 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
30¾	22⅞	Sara Lee $1	29¼xd	–¼	$1.00	—	2.1
11⅛	5⅞	Saul (B. F.) $1	9½	–⅛	20c	—	1.2
26⅛	19⅞	Southwestern Bell $1	24¾	–½	b$2.32	—	5.8
17⅝	14¼	Staley Continental	17¼	+⅛	80c	—	2.8
44¾	36¾	Sun Co. Inc. $1	40⅝xd	–⅜	$3.00	—	4.5
37	28½	TRW Inc. $1¼	34⅛	–⅛	b$1.60	—	2.9
32	25⅜	Tenneco $5	32	+1⅛	$3.04	—	5.8
187½	149½	Do. 10pcLn.Stk. 91-5	187½xd	....	10%	—	5.5
26¼	17⅞	Texaco $6.25	24⅛xd	....	$3.00	—	7.6
61⅞	47⅛	Time Inc. $1	61	–⅞	$1.00	—	1.0
14⅝	11	Tracor $0.33	13⅞	....	40c	—	1.9
24⅝	18⅞	Transamerica $1	24¼xd	+⅝	$1.76	—	4.4
11⅛	922p	Transworld Corp $5	11⅞	....	20c	—	1.1
46	29¾	TRINOVA Corp.	44¼	–1¼	b$1.00	—	1.4
20	15⅛	♦USX $1	19⅞	–⅛	$1.20	—	3.7
18⅞	15⅛	Union Carbide $1	18⅜	+½	$1.50	—	4.9
35⅞	26⅞	Utd. Technologies	30⅞	–⅛	$1.40	—	2.8
38⅝	27	US Westll	33	–1⅛	$3.28	—	6.1
25	17⅛	Waste Management $1	25⅛	–⅛	—	—	—
£22¼	£20½	Whirlpool $1.0	£22	–⅛	—	—	—
35⅞	26	♦Woolworth $3½	35⅞	+1⅛	$1.32	—	2.3

CANADIANS

1987 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
21p	16p	♦Abbot Energy Corp.	21p	....	—	—	—
25⅛	10⅛	♦Amer. Barrick Res.	19⅞	–1⅞	—	—	—
122p	52p	Armeco	84p	–3	—	—	—
19⅝	14⅝	Bk. Montreal ll	15½	–½	$2.00	—	6.0
10½	745p	Bk. Nova Scot.ll	817p	–25	72c	—	4.1
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

BUILDING, TIMBER, ROADS—Cont

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LONDON SHARE SERVICE

INSURANCES—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PAPER, PRINTING—Continued

[illegible]

PROPERTY

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TEXTILES—Cont.

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

FINANCE, LAND—Cont.

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

Finance

[illegible]

Australians

[illegible]

MINES—Continued

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

THIRD MARKET

1987 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
225	102	Edenspring Investment	220	......	—	—	—	—
*62	18	Eglinton Oil Ir.5p	26	-1	—	—	—	—
41	17	Do. Warrants	17	-1	—	—	—	—
78	17	Publishing Hldgs.5p	78xr	+7	—	—	—	45.2
66	45½	Theme Holdings	60	-1	1.0	♦	2.3	♦
140	111	Unit Group	140g	......	R4.6	2.5	4.5	10.0

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 27 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡† Dealt in under Rule 535(3).
- ø Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¤ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1986-87. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1986. K Dividend and yield based on prospectus or other official estimates for 1987-88. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1987. P Figures based on prospectus or other official estimates for 1987. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or -	Stock	Price	+ or -
Albany Inv 20p	86	......	Fin. 13% 97/02	£118	......
Craig & Rose £1	£17¼	......	Arnotts	335	-5
Finlay Pkg. 5p	104	-2	CPI Hldgs	57	......
Holt (Jos) 25p	970	+3	Carrol Inds.	158	......
IoM Stm. £1	120	......	Dublin Gas	18	......
			Hall (R. & H.)	100	......
IRISH			Helton Hldgs.	41	......
Fund 11¾% 1988	£100⅜	......	Irish Ropes	170	......
Nat. 9¾% 84/89	£98½	......	Unidare	375	......

TRADITIONAL OPTIONS

3-month call rates

Stock	p	Stock	p
Industrials		NEI	12
Allied-Lyons	40	Nat West Bk	65
Amstrad	20	P & O Dfd.	65
BAT	55	Plessey	22
BOC Grp.	45	Polly Peck	28
BSR	17	Racal Elect	24
BTR	30	RHM	30
Babcock	19	Rank Org Ord	70
Barclays	52	Reed Intnl	45
Beecham	50	STC	30
Blue Circle	50	Sears	15
Boots	25	TI	34
Bowaters	50	TSB	10
Brit Aerospace	55	Tesco	55
Brit. Telecom	32	Thorn EMI	70
Burton Ord	35	Trust Houses	24
Cadburys	22	Turner Newall	28
Charter Cons.	40	Unilever	300
Comm Union	30	Vickers	20
Courtaulds	45	Wellcome	42
FNFC	33		
Gen Accident	95	**Property**	
GEC	24	Brit Land	25
Glaxo	200	Land Securities	45
Grand Met	55	MEPC	42
GUS 'A'	175	Peachey	45
Guardian	90		
GKN	30	**Oils**	
Hanson Tst.	15	Brit Petroleum	32
Hawker Sidd	50	Britoil	32
ICI	125	Burmah Oil	45
Jaguar	52	Charterhall	6
Ladbroke	40	Premier	11
Legal & Gen	32	Shell	110
Lex Service	45	Tricentrol	11
Lloyds Bank	50	Ultramar	24
Lucas Inds	62		
Marks & Spencer	22	**Mines**	
Midland Bk	55	Cons Gold	95
Morgan Grenfell	35	Lonrho	26
		Rio T Zinc	90

A selection of Options traded is given on the London Stock Exchange Report Page.

LONDON STOCK EXCHANGE

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Jun 1	Jun 11	Jun 12	Jun 22
Jun 15	Jun 25	Jun 26	July 6
Jun 29	July 9	July 10	July 20

* New time dealings may take place from 9.00 am two business days earlier.

Strong Government bonds and pound bring further recovery in equity sectors

The recovery in the UK securities markets was carried a stage further yesterday, encouraged by a firm pound and by renewed buying of Government bonds. The confidence of the Gilt-edged sector was confirmed at the end of the day by the disclosure that the offical tap stock, the Treasury 8 per cent 2002-06, had been fully bought out.

A sizeable proportion of the £1bn tap stock has been bought by marketmakers over the past two sessions, aimed, it was believed, at supplying the overseas buyers who have made a cautious return to the London bond market.

Equities, too, extended their gains, taking their lead from the fixed interest and foreign exchange markets. A successful placing of Hanson shares gave an encouraging start. The advance in the share market remained selective, and a poor reception for trading figures from Cable & Wireless indicated investers' caution.

The FT-SE 100 index closed 18.5 up at 2284.0, after showing a 27 point gain at mid-morning. The index has now climbed back to its Election Day levels, but is still 36 points under the peak chalked up as UK funds continued to buy equities in the days following the Government's re-election. The FT Ordinary index gained 21.8 to 1773.4.

Overseas interest in equities remained thin, but market indices benefited from a revival of Japanese support for Glaxo. Imperial Chemical Industries also stood out in a mixed industrial sector.

Property shares came in for further re-rating in the light of the latest sales of City office buildings, and insurance stocks were also firm. Bass stood out in the consumer sector.

Industrial stocks, however, remained somewhat cautious, with Cable & Wireless joining the list of major stocks to fall smartly after disclosing higher profits. British Gas made only slight progress, and British Aerospace made little further response to its large Australian order.

With Wall Street uncertain in early trading, oil shares closed quietly ahead of today's meeting of the OPEC countries, which is expected to strengthen the line on crude oil prices.

Government bonds opened in good form, with the pound firm and traders sensing that the authorities wanted to see bond prices higher. The Bank was quickly bid £27 3/16 for tap stock, which it supplied for the third time since Tuesday morning.

Traders saw some foreign demand again, and prices added one point before midday. The close was very firm, as the news of the tap stock exhaustion brought a final spurt in LIFFE futures, and spurred long gilts to net gains of 1½ points.

Consolidated Gold Fields raced up from 976p to 1060p on wholly unsubstantiated rumours that it was selling out of South Africa — the purchaser was confidently named as Anglo-American of South Africa.

Calmer counsels prevailed, however, and ConsGold shares slipped off the top, closing a net ⅝ up at £10⅝. Turnover at 3.9m shares increased smartly.

Glaxo rebounded ¼ to £16⅞ as its Japanese supporters returned, and the US sellers, led by Paine Webber, melted away.

Nomura Research, which first pointed Japanese funds towards Glaxo, told clients that a recent article in a New Zealand journal, will do little harm to Zantac, Glaxo'santi-ulcer drug, and expects "a sharp upwards correction" in the share price.

Life Insurance made a bright showing with Prudential ¼ higher at £10⅝ reflecting overseas buying ahead of today's traded option quote. Pearl hardened 9 to 384p, while Legal and General firmed 4 to 349p. Abbey Life continued to rally and closed 13 higher at 280p. Composites were a shade better in places. Among Lloyds brokers, Minet put on 8 to 373p, after 380p, on the PCW news. Sedgwick added 3 to 304p.

Computer services group Learmonth and Burchett Management Services staged a successful USM debut, the shares progressing from an opening level of 190p to touch 210p prior to closing at 205p which compares with a placing price of 175p.

Breweries finished around the day's best levels, with sentiment helped by talk that moves to extend opening hours were imminent. Allied-Lyons, 430p, Scottish and Newcastle, 250½p and Whitbread A, 352p, all made sizable advances, while Guinness closed 7 up at 369p.

Leading Buildings traded in lively fashion. Reports of Japanese buying boosted Blue Circle 10 to 485p and Tarmac 10 to 303p, while revived takeover rumours lifted Barratt Developments 6 to 213p. George Wimpey gained 8 at 247p, while AMEC firmed 4 to 396p. Demand in front of today's preliminary figures lifted BPB Industries 26 to 834p. Elsewhere, Stanley Miller attracted strong demand following Press comment and rose 21 to 151p, after 156p, while Baggeridge Brick put on 27 to 262p in a restricted market on Steetley takeover speculation. Ward Holdings were supported at 681p, up 13.

Chemicals traded firmly with ICI ⅛ higher at £15⅛ and Laporte 9 up at 539p. Wardle Storeys rose 30 to 605p.

Firmer values prevailed throughout Stores as operators continued to take positions reflecting recovery prospects after last Monday's shake-out. Mr George Davies's Next advanced a few pence to 346p, helped by an encouraging note on the group's mail-order venture from securities house BZW. Freemans rose 8 to 266p, although L. Messel rate that share as no more than a "hold" at present. Elsewhere, press comment served to stimulate fresh speculative demand for Belton Textile, finally 7 to the good at 64p, while news of the bumper full-year figures lifted Chelsea Man 20 to 295p.

Cable and Wireless, which announced preliminary figures at the lower end of expectations, were actively traded (some 22m shares) and closed 25 lower at 385p. Elsewhere in the Electrical sector, Press mention helped Amstrad rally 8 more to 183p, while satisfactory annual figures prompted a rise of 7 to 479p in MK Electric. Kode, which announced on Tuesday the formation of a new company to be known at Kode Computer, advanced 23 more to 473p. KC is expected to have a turnover in excess of £20m in 1987. Poor preliminary figures left DDT Group 9 cheaper at 156p and A. F. Bulgin 5 down at 19p. STC, suggested as a possible bidder for Ferranti in the weeks Press, were firm at 300p, up 15.

Foods contributed to the general upturn with modest gains recorded by both retailers and manufacturers. In the former, Argyll hardened 5 more to 484p awaiting today's final figures. J. Sainsbury, still recovering from the recent US expansion, closed 9 dearer at 584p, while Kwik Save added 6 to 418p—still 32 below the tender offer terms from Hong Kong-domiciled Dairy Farm International. Higher values were also recorded by Hillsdown, 305p, and Bejam, 221p. Cadbury Schweppes, again buoyed by a broker's recommendation, firmed 6 to 272p, while ASDA-MFI rose a like amount to 192p.

Hotels made progress across the board. Ladbroke rallied 7 to 429p as brokers expressed scepticism over reports that the satellite racing service would be subject to an inquiry by the Office of Fair Trading. Trusthouse Forte eased 3 to 256p ahead of today's half-timer; Wood Mackenzie anticipate pre-tax profits in the £43m range.

Most leading miscellaneous Industrials took a distinct turn for the better yesterday. A huge turnover ensued in Hanson Trust following a placing by Hoare Govett of 45m shares at 166p per share. Some 101m shares changed hands and Hanson eventually settled at 172½, up 8, with US buyers reported to be showing interest. Plans for a A$150m expansion of its Australian titanium dioxide operations were also announced by Hanson yesterday.

Pharmaceutical issues recorded some noteworthy gains. Fisons gained 16 to 392p and Boots 13 to 298p. Wellcome, awaiting the outcome of a visit by analysts, closed 11 higher at 425p, after 428p. Elsewhere, BOC moved up 17 to 505p, while buyers returned for Pilkington which put on a similar amount to 940p. Reed International, in contrast, tumbled to 584p before closing 18 down on the day at 594p in the absence of any stakebuilding building news. Traders had been speculating on Tuesday about an imminent statement from US investment bank First Boston revealing a 12½ per cent stake in Reed.

London International, helped by an overnight presentation in New York, advanced 16 to 337p, while Charter Consolidated jumped 26 to 442p in response to the bumper preliminary figures. Dalgety improved 10 to 378p following a visit by brokers James Capel, but Halma, still reflecting disappointment with the preliminary figures, dipped 13 further to 280p. Williams Holdings revived with a gain of 18 at 854p, while Reuters improved 13 more to 825p. Wyndham Group, which announced preliminary figures and acquisition news on Monday, moved up sharply to close 50 higher at 208p. Reed Executive, annual results scheduled for next Wednesday, advanced 30 to 830p.

Motors provided a couple of the session's brighter features. Truck group ERF spurted 25 to 141p as yet another pre-tax deficit was outweighed by the group's recovery prospects. Components highlighted Lucas Industries, finally 28 dearer at 688p, helped by news that the company is actively seeking a European partner for its electrical division, and an encouraging circular from Greenwell Montagu. Slightly firmer values were noted for Kwik-Fit, 216p, and for FR, 431p, but profit-taking left Airflow Streamlines 10 cheaper at 180p. Attention among Distributors was again directed towards Lookers, which closed 23 up at 405p, on hopes of an eventual offer from T. Cowie: Trimoco, also reckons to be a likely Cowie target, hardened a penny more to 48½p.

USM quoted BPP Holdings rose 15 to 350p on news of the proposed acquisition of Mander Portman Woodward for an initial consideration of £3m and a vendor placing at 315p per share.

Leading Properties enjoyed another busy session with demand again stimulated by the prices currently being paid for City office space. Land Securities were up 11 more at 540p, while MEPC put on 20 to 525p. Great Portland Estates gained 10 to 289p, while Peachey advanced 19 to 447p. Hammerson A were 15 higher at 645p and British Land 8 to the good at 297p. Wates City of London firmed 6 afresh to 243p. Greycoat hardened 4 to 410p awaiting today's preliminary figures.

Selective support was again forthcoming for Textiles. John Haggas gained 9 to 212p, while demand for Lister, up 3 further at 210p. Among Tobaccos, Rothmans improved 6 to 288p awaiting today's announcement of the preliminary figures.

Interest in the Oil market tailed off awaiting today's start of the OPEC meeting. Most quotations were slightly easier, but bid speculation left Ultramar 9 to the good at 252p, while Tricentrol, still reflecting a broker's recommendation, firmed 4 more to 102p. Century Oils, in contrast, dipped 12 to 223p on the proposed £11.5m rights issue.

Overseas Traders, a subdued sector of late, provided a feature in James Finlay; a dull market since the group revealed extremely disappointing annual figures last week, the shares gained 11 to 115p reflecting occasional demand on bid hopes. Harrisons and Crosfield, aided by the buoyant palm oil price, put on 5 to a year's peak of 594p.

Gold mining stocks were featured by the speculative interest in ConsGold and RTZ, but otherwise had a quiet session. Early firmness in bullion prices brought some Continental support for the major producer names but this melted away later as bullion topped off. The FT Gold Mines index added 9.5 to 373.6.

Traded options

Extremely lively conditions prevailed in Hanson Trust options with 10,705 calls and 717 puts struck; 7,442 of the former were arranged in the June 165 series. Elsewhere, dealers, reported substantial demand for British Gas, 6,774 calls and 1,583 puts done, and for British Airways which contributed 2,940 calls and 211 puts. Operators also displayed enthusiasm for Boots, Dixon, GKN and Sears.

FINANCIAL TIMES STOCK INDICES

	June 24	June 23	June 22	June 19	June 18	Year ago	1987 High	1987 Low	Since Compilation High	Since Compilation Low
Government Secs	91.07	90.55	90.59	91.16	91.94	90.99	93.32 (8/5)	84.49 (6/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	98.07	97.91	98.03	98.50	98.88	96.69	99.12 (15/6)	90.23 (2/1)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary ♥	1773.4	1751.6	1737.0	1758.3	1783.1	1344.8	1,801.7 (17/6)	1,320.2 (2/1)	1,801.7 (17/6/87)	49.4 (26/6/40)
Gold Mines	373.6	364.1	376.7	390.1	383.0	195.5	485.0 (14/4)	288.2 (19/2)	734.7 (15/2/83)	43.5 (26/10/71)
Ord. Div. Yield	3.23	3.26	3.29	3.26	3.21	4.11				
Earnings Yld.%(full)	7.78	7.87	7.93	7.86	7.74	9.86				
P/E Ratio (net) (*)	15.83	15.64	15.53	15.67	15.90	12.35				
SEAQ Bargains (5 pm)	40,002	41,368	45,310	43,540	49,867	—				
Equity Turnover (£m)	—	1589.42	1631.42	1523.58	1582.27	531.05				
Equity Bargains	—	54,124	51,893	53,267	58,861	20,650				
Shares Traded (ml)	—	—	619.3	628.7	704.3	221.4				

S.E. ACTIVITY

Indices	June 23	June 22
Gilt Edged Bargains	152.8	148.5
Equity Bargains	350.7	336.2
Equity Value	3212.6	3297.5
5-Day Average		
Gilt Edged Bargains	143.1	142.9
Equity Bargains	366.1	378.0
Equity Value	3290.0	3341.0

♥ Opening	10 a.m.	11 a.m.	Noon	1 p.m.	2 p.m.	3 p.m.	4 p.m.
1761.2	1771.3	1769.4	1772.9	1770.5	1771.2	1770.4	1770.8

Day's High 1774.6. Day's Low 1760.3. Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, *Nil=15.51.

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026

Traditional Options

- *First dealings June 8*
- Last dealings June 19
- Last declaration Sept 10
- For Settlement Sept 21

For rate indications see end of Unit Trust Service

Stocks to attract money for the call included Sound Diffusion, Property Trust, Stakis, Rotaprint, Platignum, Sears, Waterford Glass, STC, NEI, Rolls-Royce, Blacks Leisure, William Boulton, Bestwood, ERF, British Petroleum, Lopex, Top Value, North Kalgurli, Brunswick, Bula Resources, Amstrad, Raine Industries, Raglan, Martin Ford, Rosehaugh and Briden. Polly Peck were dealt in for the put, while double options were arranged in TSB, Pentland, Amstrad and Greenwich Resources.

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system yesterday until 5 pm.

Stock	Volume 000's	Closing price	Day's change	Stock	Volume 000's	Closing price	Day's change
ASDA-MFI	8,650	192	+6	Ladbroke	4,000	429	+7
Allied Lyons	3,700	430	+9	Land Securities	1,400	540	+11
Amstrad	4,900	183	+8	Legal & Gen.	934	349	+4
Argyll Group	2,000	484	+5	Lloyds Bank	1,100	588	−5
Assoc. Brit. Foods	555	404	+6	Lonrho	881	272½	—
BAT	2,000	593	−4	MEPC	2,300	525	+20
BET	269	291	+2	Marks & Spncr.	2,900	252	+3
BOC	2,900	505	+17	Midland Bank	476	615	−7
BPB Inds	576	834	+26	NatWest Bank	1,720	713	−5
BPCC	750	311	+2	Next	1,900	346	+5
BTR	3,700	314	−3	Pearson	936	680	+7
Barclays	3,500	582	+4	P & O	1,000	710	+11
Bass	421	£10 1/16	+⅛	Pilkington Bros	1,500	940	+15
Beecham	3,500	565	+2	Plessey	2,200	225	−3
Blue Circle	497	485	+10	Prudential	925	£10⅝	+¼
Boots	9,500	298	+13	Racal	5,500	270	+2
Brit. Airways	7,800	154	+7	Rank Org	235	785	+9
Brit. Aero	2,900	544	—	RHM	1,500	354	+1
Brit. & Comm.	136	468	−2	Reckitt & Col	82	£11⅛	+⅛
British Gas	12,000	177	+1½	Redland	2,500	530	+13
Britoil	2,100	312	−7	Reed Intl.	3,020	594	−18
BP	7,000	374	−4	Reuters	1,000	825	+13
Brit. Telecom	9,650	302	+4	RMC	397	491	−2
Bunzl	1,900	277	+12	RTZ	774	£10¼	+¼
Burton	1,800	325	+6	Rolls-Royce	11,000	122	+5
Cable & Wire	21,000	385	−25	Rowntree Mac	2,600	525	—
Cadbury Schwps	4,700	272	+6	Ryl Bank Scotland	393	350	−1
Coats Viyella	628	699	+5	Royal Insurance	567	488	+5
Comm. Union	1,400	353	+3½	STC	12,850	300	+15
Cons. Gold	3,800	£10⅝	+⅝	Saatchi & Saatchi	1,700	654	−5
Cookson	414	721	+6	Sainsbury	1,100	584	+9
Courtaulds	1,100	471	—	Scott & Newcastle	4,800	250½	+13½
Dee Corpn	2,500	243	+2	Sears	6,300	159	+2½
Dixons Grp	3,000	381	+5	Sedgwick	2,300	304	+3
English China Clays	1,000	472	+9	Shell Trans	3,800	£13⅞	−⅛
Fisons	2,900	392	+16	Smith & Nephew	2,000	178	+3½
Gen. Accident	830	£10 3/16	+⅛	Standard Chart	491	747	−7
Gen. Elect	6,400	237	−½	Storehouse	472	294	+4
Glaxo	1,300	£16⅞	+¼	Sun Alliance	272	£10	+⅛
Globe Investment	68	181	−½	TSB	4,800	94½	−1½
Granada	1,200	346	+6	Tarmac	1,700	303	+10
Grand Met	1,400	540	+6	Tesco	1,400	384	+4
Gus "A"	477	£13 11/16	+⅛	Thorn EMI	964	732	+7
Guardian R.E.	163	£10¼	+⅛	Trafalgar House	1,750	390	+8
GKN	1,700	332	+4	T'house Forte	2,100	256	−3
Guinness	3,600	369	+7	Unigate	223	413	+9
Hanson Trust	95,000	172½	+8	Unilever	390	£33¼	+⅛
Hawker Sidd.	1,700	537	+10	United Biscuits	2,300	319	+7
Hillsdown Hldgs.	5,100	305	+2	Wellcome	1,200	425	+11
ICI	2,400	£15⅛	+⅛	Whitbread "A"	2,600	252	+7
Jaguar	1,200	529	−6	Woolworth	1,600	422	+11

NEW HIGHS AND LOWS FOR 1987

NEW HIGHS (232)

AMERICANS (7), BANKS (2), BREWERS (3), BUILDINGS (10), CHEMICALS (5), STORES (7), ELECTRICALS (28), ENGINEERING (14), FOODS (7), HOTELS (2), INDUSTRIALS (39), INSURANCE (3), LEISURE (6), MOTORS (5), NEWSPAPERS (5), PAPER (7), PROPERTY (15), SHIPPING (4), SHOES (1), TEXTILES (3), TRUSTS (59), OILS (4), OVERSEAS TRADERS (3), MINES (2), THIRD MARKET (1).

NEW LOWS (4)

AMERICANS (1) BASIX Corp, INDUSTRIALS (1) Bilston & Battersea, TRUSTS (1) Intnl. Inv. Tst. Jersey, MINES (1) Belgravia Res.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	100	10	2
Corporations, Dominion and Foreign Bonds	27	0	32
Industrials	604	353	599
Financial and Properties	222	112	264
Oils	28	43	43
Plantations	1	5	8
Mines	64	37	87
Others	33	117	104
Totals	1,079	677	1,139

FT-ACTUARIES INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed June 24 1987 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 27%)	Est. P/E Ratio (Net)	xd adj. 1987 to date	Tues June 23 Index No.	Mon June 22 Index No.	Fri June 19 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (213)	948.03	+0.9	7.23	2.83	17.40	9.84	939.35	939.46	952.23	736.62
2	Building Materials (29)	1236.08	+1.8	6.89	2.73	18.14	12.92	1214.33	1212.74	1237.67	792.00
3	Contracting, Construction (33)	1708.31	+1.2	7.04	2.79	19.07	19.05	1688.65	1692.24	1711.55	1223.31
4	Electricals (13)	2388.24	+0.9	5.58	3.32	24.05	31.62	2367.39	2367.77	2387.89	1891.85
5	Electronics (35)	2111.55	+0.5	7.29	2.12	17.84	12.62	2100.73	2103.24	2131.03	1716.03
6	Mechanical Engineering (60)	503.12	+0.8	8.28	3.39	15.15	7.31	499.27	499.24	500.27	415.58
8	Metals and Metal Forming (7)	522.99	+0.4	7.10	3.05	16.97	5.48	520.78	524.27	528.42	370.58
9	Motors (15)	359.61	+1.5	8.34	2.99	13.96	3.42	354.44	354.90	358.97	314.56
10	Other Industrial Materials (21)	1544.17	+0.4	6.41	3.21	18.81	18.77	1538.40	1534.67	1569.07	1318.99
21	CONSUMER GROUP (185)	1325.09	+1.3	6.00	2.52	21.38	13.05	1308.41	1299.91	1317.60	928.43
22	Brewers and Distillers (22)	1194.26	+1.8	7.85	2.96	16.01	11.65	1172.67	1173.75	1187.71	968.70
25	Food Manufacturing (25)	1032.75	+1.0	6.80	2.95	19.13	12.74	1022.45	1013.66	1022.25	684.83
26	Food Retailing (15)	2552.51	+1.5	5.09	2.25	26.83	21.12	2513.56	2474.68	2511.01	1823.62
27	Health and Household Goods (10)	2499.70	+1.7	4.04	1.60	28.98	14.62	2456.86	2448.24	2477.61	1587.10
29	Leisure (31)	1369.18	+0.5	5.81	3.10	22.62	16.11	1362.76	1365.81	1374.71	898.30
31	Packaging & Paper (15)	697.69	+1.4	5.99	2.47	21.10	7.40	687.98	692.23	696.86	491.55
32	Publishing & Printing (15)	4349.01	−0.7	5.20	2.81	24.75	54.63	4377.47	4374.86	4295.36	2550.93
34	Stores (36)	1101.32	+1.5	6.54	2.59	20.64	11.73	1084.81	1067.46	1105.58	874.57
35	Textiles (16)	800.46	+0.4	7.65	2.80	15.19	10.56	796.89	797.00	797.61	544.51
40	OTHER GROUPS (85)	1113.94	+0.9	7.68	3.12	16.20	9.74	1103.55	1088.76	1102.44	798.52
41	Agencies (16)	1612.25	+0.8	4.25	1.49	31.01	9.50	1599.69	1563.39	1585.92	0.0
42	Chemicals (21)	1410.00	+1.3	6.95	3.12	17.65	19.32	1392.46	1375.80	1356.17	900.20
43	Conglomerates (11)	1400.94	+3.1	7.49	3.26	15.27	13.73	1359.45	1344.31	1347.91	0.0
45	Shipping and Transport (11)	2266.53	+1.7	6.88	3.55	18.28	37.76	2228.78	2227.30	2231.52	1496.29
47	Telephone Networks (2)	1153.96	−0.1	8.72	3.50	15.31	1.09	1154.70	1127.43	1141.09	904.12
48	Miscellaneous (24)	1496.64	+0.1	8.80	2.94	13.60	18.08	1495.54	1488.48	1497.57	1051.20
49	INDUSTRIAL GROUP (483)	1183.35	+1.1	6.76	2.76	18.69	11.44	1170.63	1162.70	1175.33	856.46
51	Oil & Gas (17)	2243.48	−0.4	4.87	4.12	26.58	37.29	2252.71	2237.51	2225.83	1221.22
59	500 SHARE INDEX (500)	1273.31	+0.9	6.48	2.97	19.57	13.70	1262.49	1253.93	1264.47	888.38
61	FINANCIAL GROUP(118)	802.66	+0.7	—	3.66	—	12.57	797.33	794.40	797.99	601.46
62	Banks (8)	826.06	−0.4	16.77	4.54	7.88	15.49	829.46	829.93	834.80	626.13
65	Insurance (Life) (9)	1131.91	+1.9	—	3.72	—	20.71	1110.96	1089.13	1122.17	859.55
66	Insurance (Composite) (7)	601.72	+0.9	—	4.07	—	11.76	596.63	589.83	597.02	482.07
67	Insurance (Brokers) (9)	1252.01	+0.6	8.59	4.31	14.99	26.32	1244.28	1242.43	1228.07	1167.65
68	Merchant Banks (11)	401.02	−0.1	—	3.25	—	4.41	401.51	402.49	401.10	375.04
69	Property (46)	1245.21	+1.8	3.72	2.35	34.95	10.92	1223.13	1202.22	1217.56	993.06
70	Other Financial (28)	521.01	—	6.38	3.05	19.72	5.42	520.31	517.04	515.76	343.40
71	Investment Trusts (93)	1079.57	+0.2	—	2.22	—	10.58	1077.46	1069.44	1068.85	753.85
81	Mining Finance (2)	510.87	+2.8	5.99	3.25	19.65	6.79	497.16	487.32	492.42	263.81
91	Overseas Traders (11)	1055.51	+0.8	8.61	4.40	13.78	22.64	1046.80	1042.93	1051.35	674.53
99	ALL-SHARE INDEX(724)	1145.57	+0.8	—	3.06	—	13.26	1136.17	1127.96	1137.25	804.98

	Index No.	Day's Change	Day's High	Day's Low	June 23	June 22	June 19	June 18	June 17	Year ago
FT-SE 100 SHARE INDEX ♦	2284.0	+18.5	2292.4	2276.7	2265.5	2244.6	2266.1	2293.2	2320.4	1629.40

FIXED INTEREST

	PRICE INDICES	Wed June 24	Day's change %	Tues June 23	xd adj. today	xd adj. 1987 to date
	British Government					
1	5 years	123.86	+0.32	123.47	—	5.53
2	5-15 years	142.80	+0.59	141.97	—	7.22
3	Over 15 years	153.17	+0.47	152.45	—	6.85
4	Irredeemables	168.00	+0.40	167.33	—	6.30
5	All stocks	139.36	+0.49	138.69	—	6.64
	Index-Linked					
6	5 years	121.68	−0.16	121.87	—	1.57
7	Over 5 years	115.86	−0.45	116.38	—	1.71
8	All stocks	116.17	−0.42	116.66	—	1.69
9	Debentures & Loans	123.28	+0.38	122.82	—	5.86
10	Preference	89.41	+0.15	89.27	—	3.01

	AVERAGE GROSS REDEMPTION YIELDS		Wed June 24	Tues June 23	Year ago (approx.)
	British Government				
1	Low	5 years	8.80	8.88	7.64
2	Coupons	15 years	8.93	8.98	8.99
3		25 years	8.95	9.00	9.06
4	Medium	5 years	9.02	9.16	9.14
5	Coupons	15 years	9.14	9.21	9.30
6		25 years	9.14	9.21	9.30
7	High	5 years	9.18	9.32	9.26
8	Coupons	15 years	9.28	9.34	9.46
9		25 years	9.05	9.09	9.33
10	Irredeemables		8.93	8.96	8.87
	Index-Linked				
11	Inflat'n rate 5%	5 yrs.	2.54	2.49	3.80
12	Inflat'n rate 5%	Over 5 yrs.	3.76	3.73	3.38
13	Inflat'n rate 10%	5 yrs.	2.20	2.14	2.56
14	Inflat'n rate 10%	Over 5 yrs.	3.69	3.66	3.22
15	Debs &	5 years	9.81	9.86	9.98
16	Loans	15 years	10.10	10.15	10.22
17		25 years	10.20	10.25	10.28
18	Preference		10.15	10.17	10.47

♦Opening index 2276.8; 10 am 2289.4; 11 am 2285.9; Noon 2289.8; 1 pm 2287.2; 2 pm 2286.3; 3 pm 2283.4; 3.30 pm 2280.5; 4 pm 2282.5

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 32p.

LONDON TRADED OPTIONS

Option		Calls July	Calls Oct.	Calls Jan.	Puts July	Puts Oct.	Puts Jan.
Allied Lyons (*431)	390	45	60	70	3	11	18
	420	24	43	54	11	22	27
	460	6	22	33	38	43	50
Brit. Airways (*154)	130	27	34	—	2	8	—
	140	18	25	38	5	11	16
	160	7½	17	28	13	17	27
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option		Calls Aug.	Calls Nov.	Calls Feb.	Puts Aug.	Puts Nov.	Puts Feb.
Guinness (*369)	300	77	82	—	2	5	—
	330	50	60	70	5	10	14
	360	28	42	52	10	22	27
	390	14	05	40	28	37	43
Ladbroke (*429)	420	—	—	55	—	—	27
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

June 24. Total Contracts 75,995. Calls 59,110. Puts 16,885. FT-SE Index Calls 1,166. Puts 1,701. *Underlying security price.

LONDON RECENT ISSUES

EQUITIES

Issue Price	Amount Paid up	Latest Renunc. Date	1987 High	1987 Low	Stock	Closing Price	+ or −	Net Div.	Times Cov'd	Gross Yield	P.E. Ratio
§65	F.P.	—	83	78	*Americaner Energy 10p	83	......	—	—	—	—
§132	F.P.	30/6	204	195	B.D.A. Hldgs. 10p	200	−4	L2.5	3.70	1.7	21.8
§77	F.P.	—	122	90	Barrett (Henry) 10p	117	−2	R2.81	2.2	3.3	18.6
§77	F.P.	30/6	110	96	♦BondedLam'ates10p	110	......	L2.4	2.4	3.0	19.2
§185	F.P.	6/7	242½	210	Chemoxy Intl.	242½	......	L4.9	2.7	2.8	16.9
—	F.P.	—	23	10	ChildHealthRes.Wrts	23	......	—	—	—	—
§125	F.P.	—	185	145	♦Colorgraphic 10p	185	......	L3.0	2.8	2.2	21.5
§230	F.P.	10/7	297	278	Computer People 5p	291	+1	u3.6	3.2	1.7	25.4
¶ ¶	F.P.	—	185	166	Cresta Hldgs 10p	185	+14	—	—	—	7.6
§56	F.P.	17/7	82	71	♦de Morgan 5p	77½	......	R1.0	4.3	1.8	18.2
§95	F.P.	—	125	113	Elys 5p	125	......	L21	3.20	2.3	18.5
§170	F.P.	1/7	205	188	H'bros Adv. Tech Tst.	191	+1	—	—	—	—
§105	F.P.	—	155	105	♦Knobs & K'kers 10p	145	−7	L1.17	4.60	1.1	27.0
§175	F.P.	—	210	190	♦L'month&Burchett 10p	205	......	Ln1.3	5.8	0.9	27.0
§130	F.P.	15/7	170	163	Neotronics 5p	168	......	R1.8	4.2	1.5	22.1
—	F.P.	—	120	80	Oriflame Int Warrants	113	......	—	—	—	—
125	F.P.	26/6	190	180	Pickwick	185	......	R2.5	3.1	1.8	24.2
§83	F.P.	—	101	88	Practical Invt.	101	+2	—	—	—	—
¶ ¶	F.P.	—	117	94	River&M'c Cap 12½p	117	......	—	—	—	—
¶ ¶	F.P.	—	103	98	Do. Inc. 12½p	99	......	H5.67	—	7.9	—
¶ ¶	F.P.	—	36	18	Do. Wts 12½p	36	+1	—	—	—	—
¶ ¶	F.P.	—	102	98	Do. Stepped Prf 12½p	100	......	H4.20	—	5.7	—
170	85	23/9	154	117	Rolls-Royce 20p	122	+5	W4.99	2.7	3.3	12.6
§165	F.P.	—	232	183	♦Ross C'sum. Elec. 10p	232	......	L3.5	2.6	2.1	25.1
§100	F.P.	—	103	97	Saltire Insurance	97	......	—	—	—	—
§125	F.P.	19/6	200	155	♦Sharp & Law 10p	187	......	u3.0	2.4	2.2	25.6
§92	F.P.	24/6	100	95	♦Shoraiplan 5p	95	......	u1.6	3.6	2.3	16.7
¶ ¶	F.P.	—	162	135	Smith Doctus 5p	151	−4	0.25	—	0.22	—
§20	F.P.	—	38	31	♦Stanco Exhibition 5p	37	......	0.292	4.0	1.1	31.4
145	F.P.	17/7	195	150	Tie Rack 5p	160	+5	R1.1	4.2	0.94	34.8
§125	F.P.	6/4	167	158	♦UCL Group 5p	166	−1	u2.51	2.8	2.1	23.4
§130	F.P.	—	182	175	Warner Howard 5p	180	+1	R2.66	2.70	2.0	23.8
135	F.P.	4/9	174	160	Weinstein(Barry)Intl.5p	174	+4	R4.0	2.9	[illegible]	12.3

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1987 High	1987 Low	Stock	Closing Price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price	Amount Paid up	Latest Renunc. Date	1987 High	1987 Low	Stock	Closing Price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

WORLD STOCK MARKETS

AUSTRIA

June 24	Price Sch%	+ or −
Creditanstalt	1,915.00	+5
Goesser	2,660.00	......
Interunfall	11,860.00	......
Jungbunzlauer	7,500	+260
Laenderbank	1,790.00	+5
Perlmooser	685.00	−2
Steyr-Daimler	116.00	−4
Veitscher Mag	748.00	+20

BELGIUM/LUXEMBOURG

June 24	Price Frs.	+ or −
B.B.L.	3250	......
Banque Gen. Du. L.	15300	......
Bank Int. A	14300	......
Bekaert B	11025	+50
Ciment CBR	5520	+20
Cockerill	178	+2
Delhaize	3320	−5
EBES	5010	−10
Fabrique Nat	1540	−40
GB Inno BM	1170	......
GBL (Brux) L	3700	−25
Generale Bank	6400	+10
Gevaert	6960	+60
Hoboken	7400	+20
Intercom	4000	+35
Kredietbank	4680	......
Pan Holdings	12500	......
Petrofina	11725	−75
Royale Belge	6180	+130
Soc Gen Belge	3840	+170
Sofina	14175	−25
Solvay	12425	+100
Stanwick Intl.	450	......
Tractebel	7230	+20
UCB	9510	+70
Wagons Lits	5490	−60

DENMARK

June 24	Price Kr %	+ or −
Baltica Skand	955.00	−5
Cop Handelsbank	282.00	−7
D. Sukkerfab	320.00	−3
Den Danske Bank	362	−3
East Asiatic	206.00	−2
Forenede Brygg	845	......
GNT Holding	260.00	−4
I.S.S.B. Systems	790.00	+5
Jyske Bank	545	......
Novo Inds.*	278.00	+3
Privatbanken	285.00	......
Sophus Berendsen	915.00	−10
Superfos	236.00	−2

FINLAND

June 24	Price Mka	+ or −
Amer	218.5	−1.5
KOP	49.5	−0.5
Kone	215.5	+1.5
Finnish Sugar	86.3	−0.7
Nokia	175.5	+3.5
Pohjola 'B'	82.1	−0.8
Rauma-Repola	27	−0.5
Stockmann 'B'	239	−4
UBF 'C'	33.45	+0.05
Utd. Paper	151	+1
Wartsila (S11)	214.5	+4.5

FRANCE

June 24	Price Frs.	+ or −
Emprunt 4½% '73	1,905	......
Emprunt 7% 1973	8,768	−2
Accor	450.00	−8
Agence Havas	518.00	−2
Air Liquide	667	−9
BIC	735	−15
BNP (Cert. Inv.)	536	−4
Bongrain	2,665	−35
Bouygues	1,035	−35
BSN Gervais	4,660xr	−281
CIT-Alcatel	2,380	−78
Carrefour	3,150	−31
Club Mediterranean	584.00	−17
Cie Bancaire	665	−20
Cofimeg	365.40	−4.6
C&E	322.00	−3
Damart	2,620	−10
Darty	395	−6
Dumez S.A.	2,175	−30
Eaux (Cie Gen)	1,160	−35
Elf-Aquitaine	369.00	−3
Essilor	3,500	−10
Gen. Occidentale	1,150	−55
Imetal	121.90	+0.6
Lafarge Coppee	1,501	−37
L'Oreal	4,005	−75
Legrand	5,280	−130
Maisons Phenix	73.30	−6.6
Matra S.A.	2,150	−200
Michelin B	3,131	−34
Midi (Cie)	1,329	−1
Moet-Hennessy	2,486	−24
Moulinex	70	−7
Nord Est	164.90	−3.1
Paribas	452.00	−8
Pernod Ricard	999	−19
Perrier	733	−19
Petroles Fra	465.00	−15
Peugeot S.A.	1,501	−16
Printemps Au	688	−22
Radiotech	1,400	−70
Redoute	2,980	−40
Roussel-Uclaf	1,490	+5
St. Gobain	421.50	−8
Sefimeg	495	......
Skis Rossignol	1,190	+5
Telemech Elect	2,880	−80
Thompson (CSF)	1,341	−29
Valeo	570.00	−8

GERMANY

June 24	Price Dm.	+ or −
AEG	311.50	−5.5
Allianz Vers	1775.00	−55
BASF	302.50	−13
Bayer	337.50	−12.2
Bayer-Hypo	414.00	−9.5
Bayer-Verein	414.50	−2
BHF-Bank	435.00	......
BMW	656.00	−10
Brown Boveri	314.00	......
Commerzbank	265.50	−7.5
Cont'l Gummi	341.50	−5.7
Daimler-Benz	1097.00	−23
Degussa	478.00	−2
D'sche Babcock	232.00	−6.5
Deutsche Bank	625.00	−21.8
Dresdner Bank	324.80	−11.2
Feld Muehle Nob	301.00	−3
Henkel	530.00	−8
Hochtief.	629.00	−6
Hoechst	293.50	−6.5
Hoesch Werke	122.10	−2.9
Holzmann (P)	367.00	−18
Horten	221.00	−7
Hussel	562.00	−8
Karstadt	451.00	−6
Kaufhof	462.00	−12
KHD	172.00	−5.5
Kloeckner	41.80	−0.3
Linde	722.00	−11
Lufthansa	173.00	−12
MAN	169.70	−0.5
Mannesmann	159.00	−5
Mercedes Hld.	920.00	−31
Metallgesell	330.00	+5
Muench Rueck	1840	+20
Nixdorf	815.00	−15
Porsche	920.00	−60
Preussag.	153.00	−0.5
Rhein West Elect.	211.50	−4
Rosenthal	269.00	−6
Schering	562.00	−6
Siemens	731.50	−16
Thyssen	120.50	−3.5
Varta	343.00	−7
Veba	304.00	−11
V.E.W.	168.00	−2
Verein-West	400.00	−12
Volkswagen	404.00	−5

ITALY

June 24	Price Lire	+ or −
Banca Com'le	23,595	−35
Bastogi-IRBS	660	−6
CIR	6,090	−5
Credito Italiano	2,163	+62
Fiat	13,180	−60
Generali Assicur	134,000	−900
Italcementi	99,495	+145
La Rinascenti	1,230	−30
Montedison	2,490	−37
Olivetti	13,410	−390
Pirelli Co	6,380	−205
Pirelli Spa	5,100	−49
Saipem	3,570	−30
Snia BPD	3,730	−40
Toro Assic.	32,340	−660

NETHERLANDS

June 24	Price Fls.	+ or −
ACF Holding	62.00	......
AEGON	94.00	−1.5
Ahold	101.40	+1.2
AKZO	146.30	−1.4
ABN	471.50	−3.5
AMEV	64.70	−0.9
AMRO	74.90	−0.6
Bredero Cert	32.50	−1.5
Buehrmann-Tet	53.00	......
Dordtsche Petroleum	241.00	−0.5
Elsevier Ndu	52.90	+0.8
Fokker	54.00	−3.4
Gist Brocades	46.20	+1.6
Heineken	179.00	−2
Hoogovens	43.00	......
Hunter Douglas	53.50	−1.7
IHC Caland	22.50	−0.7
Int Mueller	65.30	+2.3
KLM	51.00	−0.2
KNP	146.70	+0.2
Nat Ned Cert	73.00	−1.8
Ned Mid Bank	160.00	+1
Ned Lloyd	147.00	+0.3
Oce Grinten	427.00	−3
Ommeren (Van)	35.50	−0.5
Pakhoed	75.20	+0.2
Philips	51.30	−0.7
Robeco	106.80	−0.6
Rodamco	138.90	−7.5
Rolinco	100.10	−0.4
Rorento	52.30	−0.1
Royal Dutch	264.70	−0.1
Unilever	680.00	+0.2
VMF Stork	25.00	......
VNU	85.40	+0.6
Wessanen	85.30	+0.3
Wolters Samsom	132.50	+1.6

NORWAY

June 24	Price Kroner	+ or −
Aker-Norcem	73.00	......
Bergen bank	169.50	−1
Bergesen B	372.50	−7.5
Christiania Bk	176.50	−1
Den Norsk Credit	151.50	−1
Elkem	102.50	−1
Kosmos	140.00	−2
Kvaerner	205.00	−3
Norsk Data	218.00	−2
Norsk Hydro	198.00	−2.5
Orkla Borregaar	390.00	−7
Storebrand	350.00	......

SPAIN

June 24	Price Pts.	+ or −
Banco Bilbao	1,360.00	+15
Banco Central	1,020.00	......
Banco Exterior	445.00	......
Banco Hispano	510.00	......
Banco Popular	1,575.00	−10
Banco Santander	1,160.00	+10
Banco de Vizcaya	1,850.00	......
Banesto	765.00	−8
Dragados	827.00	+39.5
Hidrola	75.70	......
Iberduero	112.50	+1
Petroleos	523.50	−5
Telefonica	204.70	......

SWEDEN

June 24	Price Kronor	+ or −
AGA (free)	205.00	+1
Alfa-Laval	316.00	+1
ASEA (Free)	350.00	......
Astra (Free)	285	......
Atlas Copco	173.00	......
Beijer A Fria	230	+0.5
Cardo (Free)	235	......
Cellulosa	350	+2
Electrolux B	288	−0.5
Ericsson	253.00	−3
Esselte	148	......
Mo Och Domsjo	390	......
Pharmacia	203.00	−3.5
Saab-Scania (free)	627	+8
Sandvik	172	+1
Skandia	153.00	−0.5
Skan Enskilda	130.00	+2.5
SKF	342	+2
St. Kopparbergs	389.5	......
Svka Handelsbn	445	......
Swedish Match	104	......
Volvo B (Free)	317.00	+2

SWITZERLAND

June 24	Price Frs.	+ or −
Adia Intl.	11,750	−200
Alusuisse	665	+2
Bank Leu	3,200	−50
Brown Boveri	2,400	−85
Ciba Geigy	3,850	+210
do. (PtCts)	2,450	−15
Credit Suisse	3,160	−20
Elektrowatt	3,625	−25
Fischer (Geo.)	1500	......
Hoff-Roche (Pt Cts)	130,000	−3000
Hoff-Roche 1/10	13,025	−325
Jacobs Suchard	8,800	−25
Jelmoli	3,500	−100
Landis & Gyr	1,585	−45
Nestle	9,450	−250
Oer-Buhrle	1,310	......
Pargesa Hldg	2,140	−45
Pirelli	421	−2
Sandoz (Br)	12,000	−200
Sandoz (PtCts)	2,100	−70
Schindler (PtCts)	850	......
Sika	1,650	+80
Surveillance	6,475	−25
Swissair	1,335	−60
Swiss Bank	462	−12
Swiss Reinsce	17,000	−250
Swiss Volksbk	2,120	−10
Union Bank	4,690	−90
Winterthur	6,550	−150
Zurich Ins.	6,550	−150

AUSTRALIA

June 24	Price Aust$	+ or −
ACI Int.	4.00	......
A.F.P.	2.35	+0.05
Adelaide Steams	8.00	−0.14
Amcor	4.55	+0.03
ANZ Group	4.08	−0.04
Ampol Pet	3.10	......
Ariadne Aust	2.80	......
Ashton	3.35	......
Aust Guarant	2.30	......
Aust Nat Inds	1.95	+0.05
Bell Group	7.70	−0.4
Bell Resources	4.07	+0.02
Bond Corp Hldgs	2.47	−0.01
Boral	4.80	−0.1
B'ville Copper	3.80	+0.1
Brambles Inds	9.00	......
Bridge Oil	1.48	−0.02
BHP	9.70	−0.06
BHP Gold	1.24	−0.03
Burns Philp	4.20	......
CRA	8.76	+0.08
CSR	4.08	+0.02
Chase Corp	2.80	......
Claremont Petro	1.10	......
Coles Myer	6.90	......
Comalco "A"	3.45	......
Consolidated Pet	0.16	−0.01
Costain Aust	2.60	−0.1
Elders IXL	4.54	+0.04
Energy Res	2.65	+0.05
Gen Prop Trust	3.20	−0.07
Goodman Fielder	3.75	−0.05
Hardie (J.)	3.55	+0.05
Hartogen Energy	3.20	−0.1
ICI Aust.	4.10	......
Industrial Equity	4.55	......
Jimberlana (50cFP)	0.40	−0.05
Jones (David)	10.50	+0.2
Kia Ora Gold	0.90	......
Kidston Gold	6.00	+0.1
Lend Lease	14.00	......
MIM	2.18	+0.1
Mayne Nickless	4.60	−0.1
Nat. Aust. Bank	4.65	−0.1

AUSTRALIA (Continued)

June 24	Price Aust$	+ or −
News	18.50	+0.3
Noranda Pacific	3.20	......
North Bkn Hill	2.65	+0.03
Oakbridge	0.60	−0.02
Pacific Dunlop	4.60	−0.05
Pancont'l	3.35	+0.05
Pioneer Conc	3.30	−0.02
Placer Pacific	3.05	+0.15
Poseidon	4.60	−0.1
Queensland Coal	1.55	......
Santos	6.60	−0.14
Smith (H.)	4.65	−0.05
Thos Natwide	4.28	+0.08
Tooth	8.00	......
Vamgas	3.70	......
Western Mining	5.70	−0.08
Westpac	4.82	−0.13
Woodside Petrol	2.15	−5
Woolworths	3.28	−7
Wormald Intl	3.15	−0.15

HONG KONG

June 24	Price H.K.$	+ or −
Bank East Asia	24.40	+0.4
Cathy Pacific	6.45	+0.1
Cheung Kong	13.10	+0.1
China Light	23.50	+0.2
Evergo	0.69	+0.03
Hang Lung	14.80	+0.5
Hang Seng Bank	38.00	+0.5
Henderson Land	6.70	+0.15
Hong Kong China	18.30	+0.5
HK Electric	9.45	+0.1
HK Land	7.10	+0.1
HK Shanghai Bank	9.20	+0.3
HK Telephone	14.00	+0.3
Hutchison Wpa	13.80	+1.2
Indust Equity P	20.60	+0.2
Jardine Math	18.40	+0.4
New World Dev	12.70	+0.3
SHK Props	16.00	+0.2
Shell Elec. Mfg.	1.47	+0.04
Swire Pac A	23.40	+0.4
TV-B	14.10	......
Wharf Hldgs	8.65	+0.15
Windsor Ind.	12.20	+0.2
World Int Hldgs	4.12	+0.15

JAPAN

June 24	Price Yen	+ or −
Ajinomoto	3430	+60
All Nippon Air	1850	......
Alps Electric	2520	−30
Asahi Chemicals	1160	......
Asahi Glass	2080	+20
Bank Tokyo	1670	−20
Bridgestone	1290	+60
Brother Inds.	680	+9
Canon	1000	−30
Casio Computers	1370	−40
Chugai Pharm.	1840	+40
Daiei	1890	+40
Dai Ichi Kan Bank	3450	−150
Dai Nippon Ink	750	+2
Dai Nippon Ptg	2280	−50
Daiwa House	2370	+140
Daiwa Sec	2940	+30
Eisai	2170	+140
Fanuc	6020	+20
Fuji Bank	3400	−200
Fuji Film	3900	−90
Fujisawa	2100	+160
Fujitsu	1160	−40
Fujisawa Elect	745	−22
Green Cross	2690	+50
Heiwa Real Est	1800	+20
Hitachi	1200	−20
Hitachi Credit	1740	+80
Honda	1760	−30
Indl Bank Japan	4450	−150
Ishikawajima Ha	667	+3
Isuzu Motors	405	−5
Itoh (C)	770	−13
Ito Yokado	4060	+10
JAL	14500	+500
Jusco	1720	+100
Kajima	1750	+60
Kao Soap	2080	+20
Kawasaki Steel	250	+7
Kirin	2700	+40
Kobe Steel	275	+5
Komatsu	651	−11
Konishiroku	945	−5
Kubota	566	−10
Kumagai	1080	+30
Kyoto Ceramic	6140	−60
Marubeni	520	+10
Marui	3570	+110
Mazda Motors	450	......
Meija Seika	1120	+10
MEI	2230	−60
M'bishi Bank	3440	−110
M'bishi Chem	1200	+60
M'bishi Corp	1300	−10
M'bishi Elec	620	+10
M'bishi Estate	2800	+150
MHI	585	+8
Mitsui Bank	2560	+10
Mitsui Co.	779	−11
Mitsui Estate	2590	+70
Mitsui Toatsu	755	+10
Mitsukoshi	1840	+50
NGK Insulators	925	−20
Niko Sec	2450	+10
Nippon Denso	1640	−20
Nippon Elect	2150	−30
Nippon Express	1280	+20
Nippon Gakki	1670	−30
Nippon Kogaku	905	+20
Nippon Kokan	280	+5
Nippon Oil	1360	......

JAPAN (Continued)

June 24	Price Yen	+ or −
Nippon Seiko	575	+15
Nippon Shimpan	1410	+40
Nippon Steel	321	+2
Nippon Suisan	613	−5
Nippon Yusen	608	+3
Nissan Motor	750	+12
Nisshin Flour	1300	+110
Nomura	4810	+20
Olympus	1190	−10
Onoda Cement	706	+1
Orient Finance	1590	+10
Orient Leasing	4040	+30
Pioneer	3040	−60
Ricoh	1050	−50
Sankyo	1900	+110
Sanwa Bank	2930	......
Sanyo Elect	549	−11
Sapporo	2000	+10
Sekisui House	2460	+130
Seven-Eleven	8340	−10
Sharp	1200	−50
Shimizu Const.	975	+15
Shionogi	1710	+40
Shiseido	2060	......
Showa Denko	658	+15
Sony	4200	−140
S'tomo Bank	4260	+20
Sumitomo Chem	930	+24
Sumitomo Corp	1030	−20
S'tomo Elect	1850	−20
S'tomo Metal	225	+2
Taisei Corp	1110	+70
Taisho Marine	1220	−30
Taiyo Kobe Bank	1660	......
Takeda	3270	+40
TDK	4110	−140
Teijin	820	+10
Toa Nenryo Kyo	2100	−40
Tokai Bank	2200	−80
Tokyo Marine	2300	+50
Tokyo Elect Pwr	6800	−100
Tokyo Gas	1160	+30
Tokyu Corp	1840	+90
Toppan Print	1670	......
Toray	730	+5
Toshiba Elect	740	+14
Toyo Seikan	2450	+50
Toyota Motor	2050	−50
UBE Inds	465	......
Victor	3060	−40
Yamaha	873	−2
Yamaichi Sec	2420	+20
Yamanouchi	4110	+120
Yamazaki	1680	+20
Yasuda Fire	1140	−10

SINGAPORE

June 24	Price $	+ or −
Boustead Hldgs	2.02	+0.01
Cerebos Pacific	5.80	......
Cold Storage	4.72	+0.06
DBS	14.10	+0.4
Genting	6.55	+0.15
Haw Par Bros	4.86	−0.02
Hong Leong Fin.	4.62	+0.1
Inchcape Bhd	5.66	−0.1
Keppel Shipyard	3.68	+0.08
Malay Banking	7.70	......
Malayan Utd. Ind.	2.45	−0.03
Multi Purpose	0.93	......
OCBC	9.25	−0.05
OUB	4.48	......
Public Bank	2.57	+0.01
Sime Darby	3.42	−0.02
Singapore Air	13.30	......
Singapore Press	8.55	+0.05
Straits Trading	4.22	+0.02
Tat Lee Bank	3.48	−0.02
UOB	5.60	......

SOUTH AFRICA

June 24	Price Rand	+ or −
Abercom	3.30	+0.1
AE & CI	18.00	......
Allied Tech	150.00	......
Anglo Am Coal	34.50	......
Anglo Am Corp	81.50	+3.5
Anglo Am Gold	361.00	+13
Barclays Bank	21.75	......
Barlow Rand	24.50	......
Buffels	67.40	+2.4
CNA Gallo	4.45	......
Currie Finance	5.40	−0.1
De Beers	39.00	+1.25
Driefontein	79.00	+2.75
Freegold	49.50	+1.5
Gold Fields SA	76.00	+0.25
Highveld Steel	6.70	......
Malcor Hldgs	19.80	+0.3
Nedbank	8.45	−0.1
OK Bazaars	18.25	......
Rembrandt	15.00	......
Rust Plat	52	......
Safren	28.00	......
Sage Holdings	17.25	......
SA Brewers	18.75	+0.25
Smith (C.G.)	44.00	......
Tongaat Hulett	12.40	......

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. * Price in Kroner.

CANADA

TORONTO
Closing prices June 24

Sales	Stock	High	Low	Close	Chng
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

F—No voting rights or restricted voting rights.

Indices

NEW YORK-DOW JONES

	June 24	June 23	June 22	June 19	June 18	June 17	1986/87 High	1986/87 Low	Since Compilation High	Since Compilation Low
Industrials	2,428.41	2,439.73	2,445.51	2,420.85	2,408.13	2,407.35	2446.51 (22/6/87)	1927.31 (2/1)	2445.51 (22/6/87)	41.22 (2/7/32)
Transport	1,027.20	1,025.27	1,027.20	1,026.94	1,026.81	1,022.88	1029.53 (12/6/87)	816.38 (2/1)	1029.53 (12/6/87)	12.32 (8/7/32)
Utilities	207.51	208.14	205.76	205.55	204.11	203.07	227.83 (22/1/87)	191.38 (20/5)	227.83 (8/4/87)	10.5 (8/4/32)
Trading vol	—	185.27m	178.21m	222.77m	188.78m	184.72m	—	—	—	—

	June 19	June 12	May 29	Year Ago (Approx)
Ind Div Yield %	2.81	2.83	2.83	3.65

STANDARD AND POORS

	June 24	June 23	June 22	June 19	June 18	June 17	1987 High	1987 Low	Since Compilation High	Since Compilation Low
Industrials	356.75	357.84	358.14	355.89	354.22	353.22	353.22 (17/6/87)	274.58 (2/1/87)	353.22 (17/6/87)	3.62 (21/6/32)
Composite	306.65	308.43	309.65	306.97	305.59	304.81	309.65 (22/6/87)	246.45 (2/1/87)	309.65 (22/6/87)	4.40 (1/6/32)

	June 3	May 27	May 20	Year Ago (Approx)
Ind div yield %	2.51	2.55	2.54	3.06
Ind. P/E Ratio	22.43	21.97	21.21	17.23
Long Gov Bond Yield	8.93	8.65	8.87	8.87

N.Y.S.E. ALL COMMON

June 24	June 23	June 22	June 19	1987 High	1987 Low
172.48	173.22	173.77	172.57	173.77 (22/6)	141.81 (21/1)

RISES AND FALLS

	June 23	June 22	June 19
Issues traded	1,882	1,865	1,851
Rises	660	990	869
Falls	884	871	519
Unchanged	438	384	382

TORONTO

	June 24	June 23	June 22	June 19	1987 High	1987 Low
Metals & Minls	2,761.1	2,771.8	2,818.39	2,874.1	2,843.6 (11/5/87)	1,988.2 (2/1/86)
Composite	3,892.5	3,891.9	3,789.57	3,749.28	3,881.2 (6/4/87)	3,867.8 (2/1/86)
MONTREAL Portfolio	1,873.23	1,873.23	1,862.88	1,886.15	1,835.8 (6/4/87)	1,534.3 (2/1/85)

* Indicates pre-close figure

	June 24	June 23	June 22	June 19	1987 High	1987 Low
AUSTRALIA						
All Ord (1/1/80)	1739.5	1742.0	1774.1	1798.4	1858.8 (18/5)	1486.7 (2/2)
Metals & Minerals (1/1/80)	1005.1	999.3	1046.7	1092.8	1287.5 (18/5)	729.1 (2/1)
AUSTRIA						
Credit Aktien (30/12/84)	183.54	182.96	182.26	182.21	230.60 (2/1)	182.21 (19/6)
BELGIUM						
Brussels SE (1/1/84)	4764.51	4741.07	4703.00	4674.76	4764.51 (24/6)	3987.86 (9/1)
DENMARK						
Copenhagen SE (3/1/83)	(u)	210.98	210.81	211.18	217.57 (22/1)	189.64 (6/1)
FINLAND						
Unitas General (1975)	544.8	542.8	542.2	(c)	545.9 (15/6)	425.2 (5/1)
FRANCE						
CAC General (31/12/82)	405.0	408.60	401.90	400.60	460.4 (26/3)	392.0 (2/1)
Ind Tendance (31/12/86)	99.9	102.00	100.30	99.40	117.2 (26/3)	97.8 (2/1)
GERMANY						
FAZ Aktien (31/12/58)	614.64	633.29	625.44	615.73	676.84 (6/1)	538.32 (19/3)
Commerzbank (1/12/53)	1861.4	1914.70	1889.30	1858.40	2048.3 (6/1)	1633.8 (19/3)
HONG KONG						
Hang Seng Bank (31/7/64)	3178.98	3110.41	3131.19	3165.64	3178.98 (24/6)	2449.88 (20/1)
ITALY						
Banca Com. Ital (1972)	703.08	709.24	707.58	711.40	767.34 (30/4)	673.60 (3/3)
JAPAN**						
Nikkei (16/5/49)	24892.75	24794.91	24640.35	25288.12	25929.42 (17/6)	18544.0 (13.1)
Tokyo SE New (4/1/68)	2117.09	2117.29	2109.07	2174.81	2258.56 (11/6)	1557.46 (13/1)
NETHERLANDS						
ANP CBS Gen (1970)	301.10	303.20	303.60	297.40	309.60 (22.6)	257.7 (28/1)
ANP CBS Indust. (1970)	258.80	260.60	261.40	256.00	274.9 (5/1)	243.60 (11/6)
NORWAY						
Oslo SE (4/1/83)	431.37	434.82	435.48	433.48	436.16 (24/4)	361.98 (2/1)
SINGAPORE						
Straits Times (30/12/66)	1252.40	1249.24	1244.21	1237.39	1252.40 (24/6)	889.08 (2/1)
SOUTH AFRICA						
JSE Gold (28/9/78)	(u)	1969.0	1964.0	2051.0	2308.0 (27/4)	1786.0 (19/3)
JSE Indust (28/9/78)	(u)	1889.0	1894.0	1902.0	1957.0 (19/5)	1423.0 (2/1)
SPAIN						
Madrid SE (30/12/85)	239.14	238.91	234.47	230.22	255.95 (23/2)	202.89 (8/5)
SWEDEN						
Jacobson & P. (31/12/56)	2718.90	(u)	(u)	(c) .30	2782.10 (6/5)	2111.39 (28/1)
SWITZERLAND						
Swiss Bank Corp (31/12/58)	605.90	613.10	613.30	603.30	613.30 (22.6)	564.5 (25/2)
WORLD						
M.S.Capital Intl. (1/1/70)	(u)	468.20	468.30	473.40	480.30 (12/6)	361.3 (2/1)

**Saturday June 20: Japan market closed.

Base values of all indices are 100 except Brussels SE—1,000 JSE Gold—255.7 JSE Industrials—264.3 and Australia, All Ordinary and Metals—500; NYSE All Common—50; Standard and Poor's—10; and Toronto Composite and Metals—1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials plus 40 Utilities, 40 Financials and 20 transports. (c) Closed. (u) Unavailable.

NYSE-Consolidated 1500 Actives

	Stocks Traded	3.00p.m. Price	Change on Day
ATT	3,569,500 xd	28⅛	− ⅜
Hanson Tr	4,445,800	14⅛	+ ⅛
Ne St Pwr	2,816,800	32⅝	− ⅜
Dayton Hud	2,505,400	51½	− 1⅝
IBM	2,135,600	165⅞	+ 1½
Bay Fnln	1,525,100	39¼	+ 1½
Bk Tx Grp	1,516,600	3/32	− 1/128
Gillette	1,387,100	38½	− ½
Golden Nug	1,300,000	12¾	+ 1
Baxter Lab	1,377,200	24¾	+ ¾

Advances 473 Declines 762

LONDON – Most Active Stocks
Wednesday, June 24, 1987

	Stocks Traded	Closing Price	Change on Day
Hanson Tr.	85.0m	172½	+ 2
Cble & Wlrs	21.0m	385	−25
STC	12.8m	300	− 1
Brit Gas	12.0m	177	+ 1½
Rls Royce	11.8m	122	+ 3
Brit Telecom	8.6m	302	+ 4
Boots	9.5m	298	+13
Brit Airways	7.8m	154	+ 7
BP	7.0m	374	− 4
Gen Elect	6.4m	237	− ½

TOKYO – Most Active Stocks
Wednesday, June 24, 1987

	Stocks Traded	Closing Prices	Change on Day
Mitsubishi Elec	54.29m	620	+10
Sanyo Elec	40.85m	549	−11
Hitachi Ltd	36.55m	1,200	−20
Toshiba	29.69m	740	+14
Nippon Steel	24.38m	321	+ 2
Matsushita Elec Ind	23.87m	2,230	−40
Fujitsu	19.59m	1,160	−40
NEC	19.27m	2,150	−30
Kanegafuchi	16.13m	988	+54
Konishiroku	16.08m	945	− 5

LONDON
Chief price changes
(in pence unless otherwise indicated)

RISES:

Exch.9¾pc 1998	£103¹¹⁄₃₂	+²⁹⁄₃₂
Treas.9½pc 1999	£102²¹⁄₃₂	+²⁷⁄₃₂
Abb. Life	280	+13
All. Lyons	430	+ 9
BPB Inds.	834	+26
Cadb. Schweppes	272	+ 6
Charter Cons.	442	+26
Chelsea Man	295	+20
Dalgety	378	+10
ERF	141	+25
Finlay (J.)	115	+11
Ladbroke	429	+ 7
Lnd Secs	540	+11
Lndn Intl.	337	+16
Lucas Inds.	688	+28
MECP	525	+20
Miller (Stnly)	151	+21
Pilkington Bros.	940	+15
Wellcome	425	+11

FALLS:

Cble & Wrless	385	−25
Reed Intl.	594	−18

OVER-THE-COUNTER *Nasdaq national market, closing prices*

Continued from Page 41

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 41

NYSE COMPOSITE CLOSING PRICES

Continued from Page 40

64½	45½	WiscEn2.88		5.8	11	267	49⅝	49¼	49¼	
32¼	22¾	WiscE wi				2	25	25	25	
31	26¼	WisG pf2.55		9.5		2	27	26¾	26¾	−¼
60¼	42½	WiscPL3.04		6.3	12	83	47⅞	47⅝	47⅞	
63	42⅝	WiscPS	3	6.4	12	25	46⅞	46½	46⅝	−⅜
47⅝	31⅛	Witco	1.12	2.7	14	408	42	41⅝	42	+⅛
14	8⅛	WolvrW				57	12⅞	12	12⅞	
57¾	37	Wlwth s1.32		2.4	16	4979	56⅝	55¼	55½	−1¼
7¼	2	WrldCp				16	6⅛	6¼	6¼	−⅛
19¾	14⅝	WrldVl n				70	18¼	18	18⅛	
54	39⅞	Wrigly s1.04		2.0	19	469	53⅛	52½	52¾	+⅛
3⅞	1⅝	Wurltzr				330	2¼	2½	2½	−¼
18⅞	11	WyleLb	.32	1.8	35	599	18⅛	18⅛	18½	−⅛
24⅞	16	Wynns	.60	3.3	13	21	18⅛	18	18	−⅛
		X Y Z								
81¼	45⅝	Xerox	3	3.8	19	2070	80¼	79⅝	79¾	−⅜
68¼	54⅜	Xerox pf5.45		10.		17	55	54¾	54¾	−¼
28¾	21½	XTRA	.64	2.5		537	26	25¾	25¾	−⅛
27¼	15	Yorkln			17	138	26⅞	26½	26⅞	+⅜
8	2¼	Zapata				320	4½	4¼	4¼	−¼
43⅞	20¾	Zayre	.40	1.4	16	3159	29¼	28¾	28⅞	−½
14⅝	9¾	Zemex	.40	3.0	8	27	13½	13⅛	13⅛	+⅛
29¾	18⅞	ZenithE				1006	27⅜	26⅝	26½	−⅝
17½	8	ZenLab				1435	11¼	10⅝	11	+⅛
19½	12⅞	Zero	.36	2.3	16	361	16⅛	16	16	+⅛
52½	32¾	Zurnln	1.36	2.6	18	80	52	51⅝	51⅞	+¼
10¾	8¾	Zweig n.10e		1.0		4422	9⅞	9⅝	9¾	+¼

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls – sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-divident or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE CLOSING PRICES

OVER-THE-COUNTER *Nasdaq national market, closing prices*

Continued on Page 39

FINANCIAL TIMES

WORLD STOCK MARKETS

AMERICA

Summer rally pauses amid profit-taking

WALL STREET

PROFIT-TAKING took its toll on Wall Street stocks again yesterday in what some players believe will be only a temporary pause in the markets' summer rally, *writes Roderick Oram in New York.*

Credit markets, undermined by the weakness of the dollar, contributed to the downturn. Bond prices fell as much as half a point.

The Dow Jones industrial average closed down 11.32 points at 2,428.41. Prices had held up fairly well during the morning with the help of IBM and a handful of other blue chips before the markets turned softer during the afternoon.

Broader market indices followed a similar trend with the Standard & Poor's 500 losing 1.58 to 306.85 and the New York Stock Exchange composite index shedding 0.82 to 172.40. NYSE volume was moderate at 154.3m with declining issues outpacing those rising by a three-to-two margin.

Among blue chips, Exxon slipped $⅜ to 90⅞, Ford Motor edged up $¼ to $96⅞, General Motors slipped $⅛ to $84, 3M added $1 to $71⅞, Eastman Kodak gave up $⅜ to $87⅜ and Du Pont rose $1⅛ to $119⅝.

IBM gained a further $1⅛ to $166⅛. It reported late Wednesday strong sales of its new range of personal computers. Other computer makers were mixed. Unisys added $2 to $124¼, Digital Equipment fell $1⅜ to $169, Hewlett-Packard slipped $⅛ to $61⅝, Cray Research fell $2⅜ to $98½ and Apple edged up $⅜ to $42 on the American Stock Exchange.

AT&T was unchanged at $28⅝ in heavy ex-dividend trading which made it the most active NYSE issue. A wave of analysts recommendations has prompted heavy buying recently.

Airlines enjoyed a second day of strength on analysts comments and rumours of fare increases. Delta gained $⅜ to $57, NWA rose $1⅛ to $72⅞, AMR added $⅜ to $61⅜ and Texas Air, the largest airline holding company, rose $½ to $38½.

Hanson Trust, up $⅜ to $14¼, was the most active NYSE issue, with more than 3m shares changing hands by early afternoon. *It is rumoured to be pursuing a takeover* target such as PPG, unchanged at $50. It also ran an advertising campaign yesterday trumpeting its first half results.

Dayton Hudson fell $2⅜ to $50⅜ on more than 3m shares after gyrating widely in price on Tuesday in the wake of a bogus takeover bid. The retailer has turned down a genuine offer from Dart Group, unchanged at $170.

Lorimar Telepictures fell $1⅛ to $16⅛. The producer and distributor of television programmes and films abandoned its effort to become a broad based communications group and announced a series of restructuring moves which will cause a $63m fourth quarter loss. It will also buy back up to 15 per cent of its shares.

American Savings and Loan *(Florida) gained $1⅞ to $15½* in the over-the-counter market after it agreed to be acquired at $17 a share by Kinder-Care, up $1 to $17. Kinder-Care also said it was planning to split into two companies and was considering a bid for Sylvan Learning which rose $2 to $11.

Burlington Industries rose $⅛ to $76⅝. Morgan Stanley said 78 per cent of the textile group's shares had been tendered to it. Mr Asher Edleman, the New York raider, and Dominion Textile abandoned their earlier offer, thus ending a protracted battle.

Rusty Pelican Restaurants rose $1½ to $8½ in the over-the-counter market after its management backed a $9 a share offer from Vicorp, a privately held California restaurant company.

Among companies forecasting higher earnings yesterday, Banc One, a leading regional bank holding company, fell $⅜ to $27 and ConAgra, a flour, feed and poultry group fell $⅛ to $31¼.

Wall Street bond prices opened half a point lower because of the *dollar's sharp overnight fall abroad.* One factor was comments by Bank of Japan officials implying that the dollar could not continue to rise because of the large US trade deficit.

The benchmark 8.75 per cent Treasury long bond was off ⅜₂ of a point at 103⅛ by late afternoon, yielding 8.45 per cent. Shorter maturities fell by similar amounts and the bond equivalent yields on Treasury bills jumped as much as 10 basis points.

The Treasury auctioned yesterday $7.56bn of four-year notes in *the second leg of its three-day mini-*refunding at an average yield of 7.89 per cent, the highest since 8.43 per cent in December, 1985.

In the corporate and municipal sectors of the bond market, prices continued under pressure from the weight of new issues in recent days.

CANADA

TORONTO followed Wall Street's mixed opening with prices remaining steady in light trading.

The firm world bullion price pushed gold shares up, however, with Echo Bay Mines regaining C$⅛ to C$46 ⅜, International Corona Resources making up C$⅜ to C$38 ⅜ and Cambell Red Lake rising C$¼ to C$32 ⅜.

Dome Mines failed to recover the losses of the previous day, slipping *C$⅛ to C$18 ⅜. Lac Minerals also* continued its downward trend, losing C$⅛ to C$39 ⅞.

Falconbridge firmed C$⅛ to C$21 ⅜, picking up slightly after an earli*er slip in base metal issues.*

Energy stocks showed slight shifts in both directions over the day. TransCanada Pipelines slipped C$⅛ to C$17 ½ based on a forecast *of lower first quarter profits.* Shell Canada edged up C$⅛ to C$48 ⅛.

R. C. Murthy in Bombay on the suspension of trading

Indian markets hit four-year low

TRADING on India's stock markets was suspended yesterday after share values fell to a four-year *low on* Tuesday. The sharp decline was sparked by political uncertainty caused by the ruling Congress (I) Party's defeat in the Haryana elections.

The All-India Share Index fell to the low of 213.7 (base 1985=100). The Bombay Stock Exchange, the country's biggest, led the slide and the exchange's index of 30 issues fell 27 points in two sessions to close at 415.51 on Tuesday.

Trading was suspended yesterday and the market authorities have imposed a ban on the short selling of 75 of the most actively traded shares in a bid to prevent a crash in values. The Bombay index hit a *peak of 604 on the* eve of last year's Government budget.

The market's present bearishness has overshadowed recent strong support for Government-owned investment institutions over the past two months. In the period, the Unit Trust of India, the country's sole unit trust, had invested some rupees 1bn.

Despite the heavy recent fall, however, merchant bankers say the markets may have weathered the worst of the storm. Mr Hemendra Kothari, chairman of DSP Financial Consultants, says the market has bottomed out, although he says it remains nervous.

Meanwhile, the heads of India's six major exchanges decided on Tuesday to bolster surveillance mechanisms in the bourses and vigorously enforce regulations designed to discourage speculation.

Mr Rajiv Gandhi, the Prime Minister, is to meet the heads of major banks and financial institutions on July 1 to enlist their support for new equity and debenture issues in order that investment plans for industry are not adversly affected by the bearish stock markets.

EUROPE

Weaker dollar prompts sell-off in Frankfurt

RECENT advances in the bigger European bourses were stalled by profit-taking sparked in part by the dollar's slide. Belgian shares proved an exception and rose to a third successive record.

Frankfurt fell heavily as the dollar's sudden drop prompted a wave of selling by foreign investors. The Commerzbank index of 60 leading shares fell 53.3 to 1,861.4.

Blue chips, which had supported the market's recent recovery, fared worst at the hands of the profiteers.

Financials tumbled. Deutsche Bank dropped DM 21 to DM 625, Dresdner DM 11.20 to DM 324.80 and insurer Allianz dived DM 55 to DM 1,775.

AEG, depressed by news of a 8 per cent fall in incoming orders for the first five months of the year, lost DM 5.50 to DM 311.50 and Siemens was DM 16 down at DM 731.50.

Among exporters hit by the dollar's fall, car stocks Daimler shed DM 23 to DM 1,097 in a late sell-off and BMW lost DM 10 to DM 656. *VW fell just DM 5.00 to DM 404* and continued to find some support following the group's agreement with Toyota to build trucks. News that an auditor's report had cleared the management of responsibility for allegedly fraudulent foreign exchange losses came too late to affect trading.

Chemicals lost most of their gains over the past two sessions, with BASF down DM 13 to DM 302.50 and Hoechst DM 7.50 off at DM 293.50. Bayer fell DM 12.20 to DM 337.50.

Zurich eased as profit-taking which began late on Tuesday gathered momentum on the weaker dollar.

LONDON

THE FIRM pound and renewed buying of Government bonds led London equities to extend their gains. The strength of the gilts market was indicated by the disclosure at the end of the day that the Treasury's 8 per cent 2002-06 tap stock had been fully bought.

The FT-SE 100 index closed 18.5 higher at 2,284.0 and the FT Ordinary index gained 21.8 to 1,773.4.

Government bonds opened firmly on the stronger pound. By the close, gilts had posted gains of 1½ points on the longer maturities. Details Page 38.

Among easier financials, Union Bank bearers lost SFr 90 to SFr 4,690 and Swiss Bank bearers fell *SFr 12 to SFr 462. Insurers also re*treated.

Industrials also softened with the trend, with Ciba-Geigy bearers losing SFr 60 to SFr 3,580 and Brown Boveri bearers shedding SFr 85 to SFr 2,400.

Bearer shares of chemical Sandoz gave up SFr 200 to SFr 12,200. The Swiss government said the company would have to pay compensation for damage resulting from a November 1986 fire at a Sandoz plant which severely polluted the Rhine.

Amsterdam eased with the dollar in a choppy and active session, although bargain hunting restricted losses.

Internationals were mixed. Royal Dutch fell by 10 cents to Fl 264.70 and Akzo by Fl 1.40 to Fl 146.30. Unilever, however, managed a 20 cent rise to Fl 680.

Publishing stocks continued to dominate trade, with Kluwer Fl 5.40 higher at Fl 392.40, Elsevier 80 cents up at Fl 52.90 and Wolters Samsom 80 cents better at Fl 132.50. Financials dropped back.

Brussels climbed to a further closing peak on strong but selective *foreign buying in otherwise quiet trade. The stock exchange index* added 23.44 to 4,764.51.

Reserve, the shares of Société Générale de Belgique, found further overseas support to rise BFr *170 to BFr 3,840*

Paris lost the ground gained over the past two sessions on selling spurred by dollar worries and Wall Street's hesitant overnight performance.

Madrid edged up despite selective selling. Utilities, foods and constructions firmed.

Stockholm was steady in dull and nervous trade. The Veckans Affarer all share index edged 0.1 higher to 1,003.1.

Oslo fell back under heavy profit-taking.

Milan closed lower across the board in quiet trade.

SOUTH AFRICA

GOLD PRICES tracked the world trend in Johannesburg to close firmer amid improved demand, gaining ground from lower prices earlier in the week.

The gold index closed at 2042, up 73 on Tuesday's close of 1969. The higher financial rand prompted ear*ly selling but gave later support to* the market.

Vaal Reefs picked up R14 to R405 after the previous day's fall of R22.

Industrials traded within a nar*row margin, ending the day slightly* firmer.

ASIA

High-technologies fail to join record bandwagon

TOKYO

BUYING of chemicals, drugs, consumption-related issues and oils offset easier high-technology stocks in Tokyo yesterday to help the Nikkei average rise to an all-time high, *writes Shigeo Nishiwaki of Jiji Press.*

The market barometer of 225 select issues closed 97.84 higher at 24,892.75 on volume of 979.98m shares, down from Tuesday's 1,068.33m. Gains led losses 480 to 434, with 144 issues unchanged.

High-technology electricals took a breather, apparently reflecting their fast rise and the yen's gain against the dollar. Dealers at leading brokerage houses said the price correction was natural after the ris*ing streak of the past several ses*sions and that the stocks were still investors' favourites.

Stocks in the sector which hit all-time highs on Tuesday sagged, with Hitachi losing Y120 to Y1,200, Matsushita Electric Industrial Y60 to Y2,230 and Fuji Photo Film Y90 to Y3,900. Selling was only in small lots, market sources said.

However, other high-techs were sought. Mitsubishi Electric gained Y10 to Y620, topping the record high of Y619 scored in October last year, on the day's heaviest trading of 54.29m shares. Toshiba advanced Y14 to Y740, Ushio Y60 to Y1,180 and Yaskawa Electric Y20 to Y529.

Investors also bought stocks of companies which are presently performing well, notably chemicals. Kanegafuchi Chemical was ninth on the active list with 16.14m shares traded, rising Y54 to Y988, while Ishihara Sangyo jumped Y42 to Y692 and Mitsubishi Petrochemical Y73 to Y993. Mitsubishi Petrochemical's recurring profit for the year ending in December had been estimated at a record Y16bn but is now expected to be Y3bn higher.

Rising crude oil prices pushed up Teikoku Oil Y42 to Y913.

Pharmaceuticals also gained ground on expectations of sharp increases in profits for the year ending in March next year, though volume was moderate. Daiichi Seiyaku closed at Y3,360, spurting Y150, Eisai climbed Y140 to Y2,170 and Ta*keda Chemical added* Y40 to Y3,270.

Tokyo Electric Power lost ground under selling pressure after Tuesday's moderate rally, finishing Y100 down at Y6,800. Other power stocks were also dull.

Trading in Nippon Steel dwindled to 24.38m shares, fifth on the actives list. The price was Y2 up at Y321. Other large-capital stocks rose *slightly,* but in low volume.

Bond prices continued to drop. Investors bought in the morning on the yen's rally and the 5.1 per cent government bond due in June 1996, which opened at a yield of 3.530 per cent, up from Tuesday's 3.490 per cent, fell to 3.475 per cent. But trading was left to dealers, and selling later increased. The yield closed at 3.600 per cent in block trading on the Tokyo Stock Exchange and 3.635 per cent in inter-dealer trading.

The yield on the benchmark bond plunged to 2.550 per cent, close to the official discount rate of 2.5 per cent, in mid-May on expectations that the yen's appreciation would lead to a sixth discount rate cut for this fiscal year. But as the rate cut now seems improbable, the yield is heading towards the 4 per cent level.

HONG KONG

LOCAL political developments, combined with a firm dollar and bullish sentiment, pushed Hong Kong share prices to a record close in busy trading. The Hang Seng Index rose to a record 3,178.98, up 68.57 with *turnover at HK$1.27bn* against HK$1.17 for the previous day.

Prices rose across the board, with property stocks making the most significant comeback. The sub index jumped 105.31 to 4919.78. Hung Lung Development led the field, up 50 cents to HK$14.80 with Cheung Kong not far behind with a 40 cent rise to HK$13.10.

Financial issues, which were least affected by the recent bout of profit-taking, also rallied with a strong performance.

Fears that Peking might interfere in Hong Kong's local affairs before the territory is returned in 1997 were allayed by an official statement to the contrary, which helped support the market.

The announcement of soaring exports and re-exports during May helped the commercial and industrial sectors where Hutchison Whampoa picked up 50 cents to HK$13.80 and Jardine Matheson added 40 cents to HK$18.40.

SINGAPORE

SHRUGGING off late profit-taking, Singapore share prices continued their recent climb in active trading. The Straits Times index reached another new high of 1,252.42, up 2.44 on Tuesday's previous peak.

The most active stock was Malayan Tobacco on 3.8m shares traded. It closed 18 cents higher at S$4.66 Overall turnover, however, was down to 2.6m shares – a dramatic slow down from the end of last week.

First Capital picked up 10 cents to S$2.25 with 3.6m shares exchanged. Elsewhere, DBS rose 40 cents to S$14.10, UIC was up 25 cents to S$5.35 and ICS pushed up 20 cents to S$10.40. Singapore Airlines was steady at S$13.30.

Hotels, properties and commodities were mixed

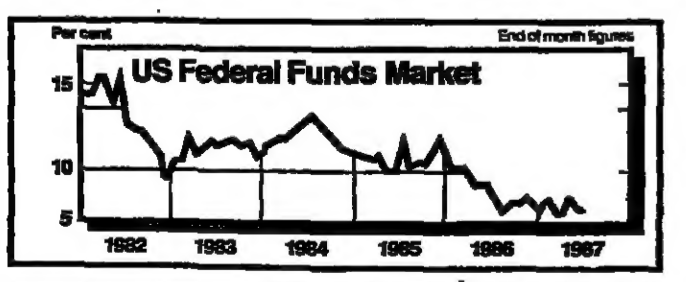
AUSTRALIA

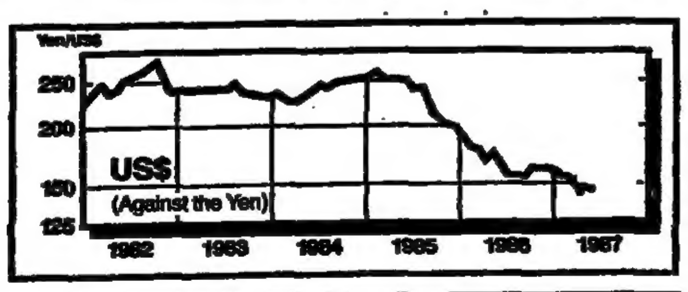
ACTIVITY and prices in Sydney continued to be tempered by caution over the forthcoming federal elections and the end of the financial year on June 30. Financial features closed mixed as investors waited for indications from the physical markets.

Uncertainty, however, helped golds, metals and minerals. Placer Pacific was up 15 cents to A$3.05 and Gold Mines of Kalgoorlie added 16 cents to A$9.46.

Mining shares followed golds upwards.

KEY MARKET MONITORS





STOCK MARKET INDICES

NEW YORK	June 23	Prev	Year ago
DJ Industrials	2,428.41	2,439.73	1,875.55
DJ Transport	1,027.20	1,029.27	781.13
DJ Utilities	207.51	208.14	191.04
S&P Comp.	306.85	308.43	247.03
LONDON FT			
Ord	1,773.4	1,751.6	1,344.8
SE 100	2,284.0	2,265.5	1,624.90
A All-share	1,145.57	1,136.17	804.96
A 500	1,273.31	1,262.48	888.95
Gold mines	373.6	364.1	193.5
A Long gilt	9.05	9.13	9.38
World Act. Ind (June 23)	131.64	131.52	91.29
TOKYO			
Nikkei	24,892.75	24,794.91	17,542.4
Tokyo SE	2,117.09	2,117.29	1,344.90
AUSTRALIA			
All Ord.	1,739.5	1,742.0	1,205.9
Metals & Mins.	1,005.1	999.3	519.2
AUSTRIA			
Credit Aktien	183.54	182.96	242.35
BELGIAN SE	4,784.50	4,741.0	3,656.64
CANADA			
Toronto			
Met.& Mins.	2,761.1	2,771.8	2,130.0
Composite	3,692.6	3,691.0	3,058.1
Montreal			
Portfolio	1873.23	1,873.23	(c)
DENMARK SE			
SE	210.88	210.81	217.31
FRANCE			
CAC Gen	405.0	408.5	346.5
Ind. Tendance	99.90	102.2	86.16
WEST GERMANY			
FAZ-Aktien	614.64	638.29	650.02
Commerzbank		1,914.70	1,954.3
HONG KONG Hang Seng	3,178.98	3,110.41	1,763.90
ITALY Banca Comm.	703.03	708.24	674.86
NETHERLANDS ANP CBS			
Gen	301.10	303.20	286.9
Ind	258.80	260.50	283.0
NORWAY Oslo SE	431.37	434.82	368.01
SINGAPORE Straits Times	1,252.40	1,249.20	765.73
SOUTH AFRICA JSE			
Golds	—	1,968.0	1,276.0
Industrials	—	1,889.0	1,172.8
SPAIN Madrid SE	239.14	238.91	178.28
SWEDEN J & P	2,718.90	—	2,403.67
SWITZERLAND Swiss Bank Ind	–	613.10	580.5

COMMODITIES (London)

	June 24	Prev
Silver (spot fixing)	429.25p	425.00p
Copper (cash)	£969.00	£972.00
Coffee (September)	£1,257.00	£1,269.00
Oil (Brent Blend)	$18.675	$18.875

GOLD ($/oz)

	June 24	Prev
London	$442.00	$440.25
Zürich	$441.95	$439.25
Paris (fixing)	$441.77	$438.89
Luxembourg	$442.50	$444.25
New York (August)	$446.4	$443.80

CURRENCIES (London)

	US DOLLAR June 24	US DOLLAR Previous	STERLING June 24	STERLING Previous
$	–	–	1.6215	1.5985
DM	1.8225	1.8330	2.956	2.9325
Yen	145.0	146.0	235	233.5
FFr	6.0825	6.1175	9.8625	9.785
SFr	1.5110	1.5180	2.45	2.4275
Fl	2.0510	2.0640	3.325	3.30
Lira	1,318.5	1,324	2,138	2,118
BFr	37.85	38.0	61.35	60.80
C$	1.3335	1.3340	2.1610	2.1335

INTEREST RATES

	June 24	Prev
Euro-currencies (3-month offered rate)		
£	9⁹⁄₁₆	9⅝
SFr	4	4⅛
DM	3¹³⁄₁₆	3¹³⁄₁₆
FFr	8⅜	8⅜
FT London Interbank fixing (offered rate)		
3-month US$	7⁵⁄₁₆	7⅜
6-month US$	7⅜	7⁷⁄₁₆
US Fed Funds	6¹¹⁄₁₆*	6⅝
US 3-month CDs	6.80*	7.025
US 3-month T-bills	5.73*	5.86

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
US Treasury Bonds (CBT) 8% 32nds of 100%				
June 24 (Sept)	92-14	92-31	92-08	92-31
US Treasury Bills (IMM) $1m points of 100%				
(Sept)	93.84	93.89	93.81	93.91
Certificates of Deposit (IMM) $1m points of 100%				
(June)	n/a	n/a	n/a	93.28
LONDON				
Three-month Eurodollar $1m points of 100%				
(Sept)	92.58	92.64	92.50	92.66
20-year Notional Gilt £50,000 32nds of 100%				
(Sept)	124-11	124-12	123-27	123-09

US BONDS

Treasury

	June 24 Price	June 24 Yield	Prev Price	Prev Yield
7¼ 1989	100¹³⁄₃₂	7.49	101	7.378
7 1994	94⅝₃₂	8.139	94¹¹⁄₃₂	8.05
8½ 1997	101¹⁹⁄₃₂	8.29	101²⁹⁄₃₂	8.21
8¾ 2017	103⅝₃₂	8.44	103²⁹⁄₃₂	8.40

Source: Harris Trust Savings Bank

Treasury Index

Maturity (years)	Return index (June 24)	Day's change	Yield	Day's change
1–30	163.17	+0.29	6.93	–0.03
1–10	154.63	+0.12	6.66	–0.03
1– 3	144.08	+0.07	6.37	–0.03
3– 5	157.57	+0.17	6.71	–0.03
15–30	193.58	+0.58	7.78	–0.03

Source: Merrill Lynch

Corporate

	June 24 Price	June 24 Yield	Prev Price	Prev Yield
AT&T 3⅞ July 1990	93.07	6.35	93.20	6.40
SCBT South Central 10⅞ Jan 1993	102.75	10.22	103.25	10.11
Phibro Sal 8 April 1996	92.31	9.30	93.65	9.06
TRW 8⅞ March 1996	96.75	9.30	97.85	9.11
Arco 9⅞ March 2016	103.14	9.55	103.625	9.50
General Motors 8⅝ April 2016	86.08	9.55	86.50	9.50
Citicorp 9⅞ March 2016	92.35	10.20	93.22	10.10

Source: Salomon Brothers

* Latest available figures